

Department of Defense

Enterprise Transition Plan



VOLUME I: **Defense Business Transformation Overview**



September 30, 2005

Table of Contents

VOLUME I: Defense Business Transformation Overview

Foreword v

Executive Summary. vii

Chapter 1: Defense Business Transformation 1

Chapter 2: Transformation Priorities and Programs 11

Chapter 3: Transformation Leadership and Approach 35

Chapter 4: Next Steps 45

Chapter 5: Component Transformation Summary. 55

Chapter 6: Department of the Army 63

Chapter 7: Department of the Navy. 83

Chapter 8: Department of the Air Force 101

Chapter 9: Defense Logistics Agency 133

Chapter 10: USTRANSCOM 141

Chapter 11: Defense Finance and Accounting Service 149

ETP Appendices

Appendix A: DoD Enterprise Transformation Summary. A-1

Appendix B: DoD Component Enterprise Transformation Summary B-1

Appendix C: Transition Timeline (Plan of Record) C-1

Appendix D: BMMP Management Timeline. D-1

VOLUME II: Enterprise Transition Plan Details

Appendix E: Enterprise Transformation Plan Tables

Appendix F: Master List of Systems and Initiatives

Appendix G: System Migration Diagrams

Appendix H: System Migration Summary Spreadsheets

VOLUME III: DoD Enterprise Program Baseline (FOUO)

Appendix I: BMMP Funding Summary

Appendix J: System Transition Schedule

Appendix K: Program Performance Management



Foreword



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SEP 16 2005

On September 10, 2001, the Secretary of Defense outlined a vision for transforming the Department of Defense in which he called for dramatic changes in management, technology, and business practices. The Secretary stated that transformation was a matter of utmost urgency because ultimately the security of the nation was at stake.

The very next day, devastating terrorist attacks drew us into a global war against an unconventional enemy and underscored the need for defense transformation. As the Department of Defense continues to perform its current missions while preparing for the future, the drive to change the way the Department does business has remained a top priority.

Today, America's military is being transformed at an unprecedented pace to create a force that will be more adaptable to new challenges and unexpected circumstances. It is imperative that business operations run flexibly, adaptively, and with greater velocity than ever before to support warfighters effectively with the information and resources they need, when they need them.

The Business Management Modernization Program (BMMP) is a broad and comprehensive initiative to coordinate this transformation. This program serves as a catalyst to enable more efficient and effective end-to-end business processes through the implementation of improved business capabilities that rely on clear standards, clear lines of authority, and tiered accountability.

The Enterprise Transition Plan presents the roadmap for transforming the Department's business operations. It identifies the key requirements for the business transformation effort. Specifically, this plan describes a business transformation strategy properly aligned with the warfighting mission, a process centered on achieving business priorities with specific results-based outcomes, and the mechanisms that will guide implementation.

There will be no moment at which we can say the Department is completely transformed. Rather, we must build a culture of continual improvement that always seeks better support to our warfighters and unquestionable financial accountability to our nation. As a result, this plan will evolve and become more defined and precise as we achieve success in the identified initiatives.

We will succeed – because we must. We are focused on change and driven by our responsibility and accountability to the men and women of our Armed Forces who protect this great nation.

Andrew England
ACTING



Executive Summary

The Department of Defense (DoD) is perhaps the largest and most complex organization in the world. It manages more than twice the budget of the world's largest corporation, employs more people than the population of a third of the world's countries, provides medical care for as many patients as the largest health management organization, and carries five hundred times the number of inventory items as the world's largest commercial retail operation.

The sheer size of the Department, and particularly its business operations, reflects the magnitude of its mission and the broad responsibilities it has for maintaining national security. This mission, however, also demands that the Department be as nimble, adaptive, flexible, and accountable as any organization in the world. Reconciling the apparent contradiction between size and flexibility—between complexity and adaptability—is the challenge of defense business transformation.

Over the past four years, Secretary Rumsfeld's emphasis on overall DoD transformation has yielded substantial improvements in the Department's business operations. For example, DoD's logistics and supply chain has achieved significant increases in materiel availability and significant reductions in lead times. Process improvement initiatives in aviation repair depots have reduced work-in-process inventory, thus increasing their speed and efficiency. Active transportation cost management has saved millions of dollars in the process for moving people and materiel across the world. DoD financial statements that once took over five months to produce are now being produced with better quality in less than 45 days.

The Enterprise Transition Plan detailed in this document is a comprehensive management tool that will further advance these accomplishments by providing the Department with measurable plans, schedules, and budgets. The ETP has a clear set of priorities for delivering business value to the joint warfighter and a targeted set of Business Capabilities for the Department which are enabled by key programs. It is guided by a focused and adaptable Business Enterprise Architecture (BEA). Upon completion, each program depicted in this plan will:

- Support the joint warfighting capability of the DoD;
- Enable rapid access to information for strategic decisions;
- Reduce the cost of defense business operations; and
- Improve financial stewardship to the American people.

Transformation Priorities and Programs

The integrated business transformation plan detailed in the ETP is organized around six DoD-wide Business Enterprise Priorities. These priorities cover a broad range of the Department's personnel, logistics, real property, acquisition, purchasing and financial requirements.

Business Enterprise Priorities

- ***Personnel Visibility*** is focused on providing access to reliable, timely and accurate personnel information for warfighter mission planning. Benefits include accurate and timely access to compensation, decreased operational costs, reduced cycle times, and enabled management of DoD human resources in a combined (military, civilian and contract support) environment.



- **Acquisition Visibility** is focused on providing transparency and access to acquisition information that is critical to supporting lifecycle management of the Department's acquisition of weapon systems and automated information systems. Benefits include cost savings in consumables, manpower and support infrastructure.
- **Common Supplier Engagement** is focused on aligning and integrating policies, processes, data, technology and people to simplify and standardize the methods that DoD uses to interact with commercial and government suppliers. Benefits include reliable and accurate delivery of acceptable goods and services to the warfighter, reduced backlogs, and the elimination of redundant program-specific reporting systems.
- **Materiel Visibility** is focused on improving supply chain performance. Benefits include timely and accurate information on the location, movement, status and identity of materiel and supplies for the warfighter.
- **Real Property Accountability** is focused on acquiring access to near real-time information on DoD real property assets. Benefits include increased access to more reliable and accurate real property information and decreased operational costs.
- **Financial Visibility** is focused on providing immediate access to accurate and reliable financial information that will enhance efficient and effective decision making. Benefits include standardized financial data and reporting processes that enable decision makers to reliably evaluate program options and resource constraints. This will also contribute to the Department's ability to better depict its financial condition as confirmed by clean audit opinions.

Additionally, the business transformation efforts of six DoD Components (Army, Navy, Air Force, U.S. Transportation Command (USTRANSCOM), Defense Logistics Agency (DLA), Defense Finance and Accounting Service (DFAS)) are represented in the plan. These Components enable the Department's business transformation by supporting the Business Enterprise Priorities while also implementing their Component-specific priorities. Components have created and maintain transition plans that present the transformation vision and goals for that Component and identify their priorities for investment. Included in this version of the ETP are the Component-specific transition plans for six organizations with the most significant business operations in the Department. These Component-specific plans include their alignment to the Business Enterprise Priorities.

Within the ETP, the key Component transformational programs are aligned with the Business Enterprise Priorities through an information infrastructure defined by the Department's Business Enterprise Architecture (BEA). The BEA establishes business rules, data standards, and system interface requirements to ensure interoperability between and among the various tiers and systems of the organization.



Component Transformation

- **Army**

The Army is transforming from a force designed for the Cold War era to a force designed for a new era that presents traditional and asymmetric threats to the nation. The Army's Business Capabilities/Enablers/Processes are being transformed to achieve improvements in the following areas:

- Manning, readiness, and well-being of the force;
- Business practices/processes: paying the force and financial accountability;
- Processes to equip the force;
- Sustaining the force: enhance joint logistics/focused logistics; and
- Capability for stability operations.

- **Navy**

The Navy's business transformation vision is significantly increasing the readiness, effectiveness, and availability of warfighting forces by employing business process change to create more effective and efficient operations. It also incorporates process improvements, technology enhancements, and an effective human capital strategy to assure continued mission superiority. The Navy has the following transformation goals:

- Developing and maintaining a secure, seamless, interoperable information infrastructure;
- Creating optimized processes and integrated systems;
- Optimizing investments for mission accomplishments; and
- Transforming applications and data into web-based capabilities to improve effectiveness and gain efficiencies.

- **Air Force**

Air Force (AF) Operational Support transformation envisions the creation of capabilities that provide rapid and predictive Operational Support and response through situationally aware Commanders. The Air Force Operational Support enterprise transformation goals include improving warfighter effectiveness and achieving increased efficiencies by executing strategies to:

- Focus Operational Support on improving joint warfighter effectiveness and integrating high value operational processes across domains and across combat and non-combat functions;
- Set common goals and priorities across the Operational Support AF enterprise;
- Re-engineer critical processes; identify and prioritize processes for improvement and redesign them when necessary to achieve immediate or long-term expectations;
- Move systems into a modern, information framework. Leverage existing initiatives of the AF and OSD, synchronize and accelerate them to achieve transformation; and



- Harvest resources to complete Operational Support transformation and support modernization of Air Force and joint capabilities.

- ***Defense Logistics Agency***

The Defense Logistics Agency's (DLA) vision is dramatically improving warfighter support at a reduced cost through business process reengineering, workforce development, technology transformation, and organizational change.

The agency's transformation goals are to become:

- A robust customer-focused agency with world-class military service and warfighter partnering capabilities;
- A manager and integrator of the supply chains essential to the military readiness with world-class commercial supplier partnering capabilities; and
- A single fully-integrated enterprise.

- ***United States Transportation Command***

The United States Transportation Command's (USTRANSCOM) transformational vision is changing its orientation from a command that provides strategic transportation, to a command that develops and employs end-to-end global transportation of forces and materiel distribution solutions to improve joint distribution capabilities for regional Combatant Commands and functional Component warfighters. Its transformational goals are to:

- Support the operational effectiveness of Combatant Commands by providing end-to-end Total Asset Visibility (TAV) and In-Transit Visibility (ITV);
- Improve decision cycle time by providing IT support that turns real-time data into actionable information;
- Promote across the Department of Defense (DoD) financial management processes and solutions that are Chief Financial Officer (CFO) Act-compliant and improve financial management visibility; and
- Provide operational flexibility in end-to-end intermodal distribution through improved and standardized resources, processes, and systems.

- ***Defense Finance and Accounting Service***

The Defense Finance and Accounting Service (DFAS) vision is enabling the warfighter through excellence in its finance and accounting operations. Its major business lines include paying people, paying vendors, and accounting for financial events. The DFAS business transformation goals are to:

- Improve financial management;
- Streamline business processes through standardized operations; and
- Deliver accurate and timely military pay services.



The Integrated Transformation Story

Through the integration of the DoD Business Enterprise Priorities and Component transformation plans, the Department has established a coherent picture of its planned transformation milestones as depicted in Figure ES-1 below.

Figure ES-1: Integrated Business Transformation Story



The true measure of DoD’s success at achieving these milestones will be whether our military personnel are paid consistently and accurately, cycle times in our supply chain are reduced, the right materiel is delivered on time to the battlefield, and key DoD decision makers are provided with visibility of all assets, materiel, and personnel to make better decisions. Success will not be determined by how many business systems are eliminated. Systems reductions are a by-product of successful business transformation.

Governance and Investment Control

To execute the objectives detailed in this plan, the Department has established a governance structure that ensures accountability through increased senior leadership direction.

The **Defense Business Systems Management Committee (DBSMC)** was chartered by the DoD to oversee business transformation and to ensure that it is aligned to the priorities of the warfighter. The DBSMC convenes under the personal direction of the Deputy Secretary of Defense to establish and assess business priorities, and drive execution of the Enterprise Transition Plan.

Investment Review Boards (IRBs), led by appropriate Under Secretaries of Defense, set investment priorities and drive transformation decisions for major business functions in the Department. Consisting of uniformed and civilian leadership from across the Department, these review boards assess modernization investments relative to their impact on end-to-end business process improvements supporting warfighter needs.



The Business Transformation Agency (BTA), once submitted and approved by Congress, will support enterprise business transformation by centralizing resources, funding, and oversight of execution of DoD-wide business transformation activity as directed by the DBSMC.

The Defense Business Systems Acquisition Executive (DBSAE) is a Flag Officer or equivalent Senior Executive Service (SES) position within the BTA that will exercise acquisition executive oversight for DoD Enterprise-level business acquisition programs in accordance with the Defense Acquisition System (DAS).

Next Steps

The Enterprise Transition Plan and its associated Business Enterprise Architecture reflect the current status of the ongoing effort to transform the Department's business operations.

To facilitate this continuous improvement process, this plan identifies known opportunities and areas of focus for future efforts. Specific opportunities include:

- Further refinement and optimization of the Planning, Programming, Budgeting, and Execution process and associated systems to enhance resource allocation processes and speed of decision making.
- Further refinement and optimization of the program management process and associated architecture.
- Impact assessment for any decisions associated with the Base Realignment and Closure initiative.
- Addition of remaining Defense Agencies with responsibility for executing business operations.

Conclusion

The Department's leadership is mindful of the responsibilities inherent in managing nearly 18 percent of the federal budget and over three percent of the Gross Domestic Product, and even more so of the precious resources loaned to us by the nation – the more than 2 million active duty, Guard, and Reserve members of the U.S. Armed Forces, along with the civilian workforce. We will maintain our focus on business transformation because the output of this effort is producing a more capable military force, a more financially accountable organization, and a more efficient use of hard-earned taxpayer dollars.

The Department has initiated significant change and accomplished much over the past four years, and with the continuing support of Congress, and most importantly the American people, it will continue to improve how it accomplishes its mission in the years to come.



Chapter 1: Defense Business Transformation

The Need for Defense Business Transformation

“We cannot run the military of the future with an organization that is anchored to the past. To meet threats and challenges of the 21st century, the Department of Defense must be as agile, flexible, and adaptable as the forces it fields in battle around the world.”

Secretary of Defense Donald Rumsfeld
September 10, 2001

Warfare in the 21st century is very different from the conflicts for which the U.S. military has been trained, equipped, and organized over the past 50 years. During the Cold War, national security processes and policies were oriented toward defeating large, powerful nation states with massive armies and weapons systems. Then, threats moved slowly and predictably. Today, our enemies are often characterized by small, stateless networks of nimble organizations, as well as traditional threats.

To defend against this broad range of threats requires an agile joint force dominant across the full spectrum of military operations—during peace and war. Such a highly flexible and adaptable fighting force requires an equally flexible, high-performance and responsive business and financial support infrastructure, capable of adapting to ever-changing conditions.

The objective of the Department’s Business Mission Area (BMA) is to ensure that the right capabilities, resources and materiel are rapidly delivered to our warfighters: What they need, where they need it, when they need it, anywhere in the world. In order to cost-effectively and prudently meet these requirements, DoD’s current business and financial management infrastructure—processes, systems, and data standards—are being transformed. DoD’s business transformation is focused on providing end-to-end integration of operations in support of missions in times of peace and war. From a financial accountability standpoint, transformation will provide accurate, reliable, and timely financial information, affirmed by clean financial audit opinions.

Defense business transformation is being driven by a series of strategic objectives, each of which illustrates a different aspect of the overall transformation challenge. These objectives, which are described below, help shape our priorities and serve as checkpoints around which to assess the efficacy of our transformation efforts.

Support for Joint Warfighting Capability

In this new era, DoD's business enterprise must be closer to its warfighting customers than ever before to rapidly anticipate and seamlessly support their full range of joint requirements and associated resourcing demands. Joint military requirements are driving the need for greater commonality and integration of business and financial operations. These changes place increased pressure on the business infrastructure to provide mission-driven, adaptive, and agile business services and information, such as real-time status of spares, repairable parts, and emergency supply replenishment. Supporting the warfighter also requires instant access to cross-Service personnel and installations data, consolidated healthcare information, and real-time resource and financial management information.

Additionally, because warfighters are engaged on a broader scale than ever before, the Department's business infrastructure must be compatible with the global, networked military it supports.

To meet these challenges, the Department is applying innovations and best practices from leading companies as well as from our joint forces who rely less on mass and more on responsiveness and agility.

“We are building a culture of continual transformation so that our armed forces are always several steps ahead...”

Donald Rumsfeld
U.S. Secretary of Defense

Better Information for Strategic Resourcing Decisions

To make sound and timely decisions, senior DoD leadership needs deeper insight into the Department's business operations; improved knowledge of supply chain operations; centrally available, secure, and integrated data about military and civilian personnel and their locations, assignments, compensation, and duty status; and timely budgeting, accounting, and financial information. Efforts to achieve the required level of information visibility have been hindered by the Department's legacy business application environment, which spans thousands of individual information systems that have been implemented over decades to meet various DoD mission needs. As a result, information does not readily flow to decision makers across the BMA and to the warfighting community. It is labor-intensive and costly for Components to implement best practices within and across their organizations because interoperability across the DoD's business infrastructure is limited. Statutory, regulatory, and cultural issues further complicate implementing commercial best practices.

Senior decision makers need consistent, aggregated views of operational and financial performance information. Access to reliable management information will provide DoD leadership with increasingly better opportunities to make sound decisions that impact the Department's human resource capabilities and requirements; the condition, status and location of assets supporting warfighters; and how DoD is investing funds to best enable the warfighting mission. A key enabler to providing access to reliable management information is the continued migration to a networked information (net-centric) environment. The power obtained by leveraging digital networks will more optimally distribute information currently locked in isolated applications and will enable visibility across end-to-end processes.

Reduced Cost of Business Operations

Defense business operations are being streamlined so that DoD can more effectively deliver warfighting capabilities, deal with growing pressures on resources, and benefit from economies of scale. Costly and outdated systems, procedures, and programs tax resources



from warfighting and stifle innovation. The nation's defense dollars must be better applied to mission effectiveness and sustaining an effective long-term force posture.

The need for timely, reliable, and accurate financial information to drive a “cost-conscious” decision-making process has never been more critical. Part of defense business transformation entails cultivating the awareness that effective financial management is complementary to delivering joint warfighting capability. At the executive level, decision makers must know how well the Department is doing in financing current and future requirements. At the field level, commanders must rely on their combat comptrollers to ensure that the complex and mobile system of budgeting, funds control, and financial reporting is adequate to effectively sustain operations.

Improved Stewardship to the American People

The Department recognizes its responsibility to the American people to carefully manage financial and human resources as it supports joint warfighting requirements. DoD's financial statements are tools to help manage operational performance and demonstrate accountability to the American people. Improving the effectiveness and efficiency of business processes across the Department will result in improved support to our nation's warfighters and yield verifiable financial information, facilitating easier compliance with federal accountability laws and regulations.

Every business transaction initiates a financial event (ordering aircraft engine parts, retrograding used supplies and equipment, processing deployment orders, procuring medical supplies, etc.) that is captured during the course of standard business processes. By their nature, streamlined and integrated processes enable better end-to-end traceability of accounting data to its original transaction source. Better traceability and data integrity means financial transparency which improves DoD's financial statements.

Strategic Principles Guiding Transformation: Aligning for Success

The current business transformation initiative has undergone significant changes over the past four years to meet institutional and cultural challenges. The Services, Defense Agencies, and Combatant Commands (COCOMs) share a sense of urgency toward transforming the Department's business functions to achieve more responsive and predictable outcomes at the “point of the spear.” The Department is entering the implementation phase of business transformation, building a bridge between what “is” and what is “to be.” The enterprise architecture, well-documented business processes and systems, common data standards, and in-depth analyses of the Department's infrastructure are the catalysts that will drive change.

The critical success factors for achieving business transformation within the defense environment differ little from those of any large-scale business operation: senior leadership engagement and commitment; strong alignment between the transformation objectives and the core business mission; a business process-oriented focus; and clarity around goals, authority, accountability, and success measures.

Senior Leadership Engagement

Changing the culture of the Department starts with the Secretary (SECDEF) and Deputy Secretary of Defense (DEPSECDEF), but leaders at all levels are responsible for changing the way DoD does business. Transformation requires direction and focus from senior leaders within the Office of the Secretary of Defense (OSD) and at the Component level to realize transformation objectives. The DEPSECDEF through the Defense Business Systems



Management Committee (DBSMC) is demonstrating and encouraging systemic, enterprise-wide improvement.

Business transformation requires focused activities to change policies, train people, shift attitudes, align performance with rewards and recognition, hold people accountable, and develop leaders who are focused on transformation, rather than on maintaining the status quo.

The Department requires a culture that embraces change. Both the military and civilian workforce must become more agile, responsive, and lean. We must foster high-performance individuals and organizations that are:

- Quick and responsive;
- Attracting and retaining the best qualified employees; and,
- Rewarding high performers.

Case in Point: Standard Financial Language... Now We're Talking

The Department's Standard Financial Information Structure (SFIS) is a comprehensive data standard that supports information and data integrity requirements for budgeting, financial accounting, cost/performance management, and external reporting across the DoD Enterprise. SFIS is a common financial language being implemented throughout the DoD enterprise.

So how can a technical standard like SFIS possibly affect the warfighter on the battlefield? To date, the Components have used widely differing lexicons in conducting daily business, and there has been no "Rosetta Stone" to help translate business and financial terms among them. During peacetime, this makes it extremely cumbersome to see and compare expenditures for personnel, resources, and materiel across the Services. In wartime, this lack of common definitions is a barrier to quickly identifying and reallocating resources to warfighters.

When fully implemented, SFIS will demonstrate its value to the warfighting community as a "rear-view mirror" that will help compare planned to actual expenditures. With better visibility into how individual resources were applied, commanders will be able to identify patterns and trends, better anticipate needs, and improve their overall strategic and operational decision making. In addition, the consistency that SFIS provides will give leaders agility as they execute budgets and distribute equipment. SFIS will help to ensure that, regardless of how items are reallocated, they are identified in a common way across all Services, and that accurate comparisons can be made both during and after the decision-making process.

A Unifying Framework – Core Business Mission Alignment to Warfighting Capability

To support a DoD-wide process of identifying joint needs, analyzing capability gaps, and implementing improvements, the DoD BMA has been conceptually realigned to a unifying framework that is focused on the warfighting mission. This new unifying framework is a capabilities-based approach to enterprise business planning, resourcing, and execution, which consists of five Core Business Missions (CBMs):

Human Resources Management (HRM): The Human Resources Management CBM is responsible for all Human Resources-related processes necessary to recruit, train, and prepare personnel to populate warfighter and support organizations. This includes providing trained, healthy, and ready personnel to combatant and combat support organizations and ensuring timely and accurate access to all applicable compensation and benefits for all DoD personnel.



Weapon System Lifecycle Management (WSLM): The Weapon System Lifecycle Management CBM is responsible for full lifecycle management of Defense acquisition of weapons systems and automated information systems to include requirements, technology, development, production, and sustainment.

Real Property & Installations Lifecycle Management (RPILM): The Real Property & Installations Lifecycle Management CBM provides installations and facilities to house military forces, store and maintain military equipment and to serve as training and deployment platforms for dispatch of warfighter units. This CBM also provides accountability for real property assets and resources, and supports environmental stewardship of assets.

Materiel Supply & Service Management (MSSM): The Materiel Supply & Service Management CBM manages supply chains for the provision of materiel supply and services to maintain the readiness of non-deployed and deployed warfighters to support operations at required operations tempo (OPTEMPO) levels. This includes all aspects associated with acquiring, storing, and transporting all classes of supply.

Financial Management (FM): The Financial Management CBM is responsible for providing accurate and reliable financial information in support of the Planning, Programming, Budgeting, and Execution (PPBE) process to ensure adequate financial resources for warfighting mission requirements. It provides information to reliably cost the conduct, output, and performance of DoD operations and missions and the programs that support them.

Figure 1-1: Core Business Missions



These five Core Business Missions integrate horizontally across all functional areas (e.g., planning, budgeting, IT, procurement, maintenance, etc.) to provide end-to-end support. The Department's business transformation effort integrates these five functional areas to ensure that their processes, systems, and operations work in coordination with one another. The BMA framework helps establish defense business transformation priorities, facilitate the reduction in redundant systems and platforms, and organize the evaluation of investment decisions.

In addition, this framework provides an organizing construct for the Services, Defense Agencies, and COCOMs to insert the warfighting perspective into the development of integrated transformation Business Capabilities and eliminate stovepiped planning, programming,



and execution. The DoD Enterprise-level business priorities, described later in this document, serve as short-term objectives: driving specific programs and delivering capabilities in support of each of the Core Business Missions.

Each CBM support organization is led by the appropriate Under Secretary of Defense (USD) (i.e., Principal Staff Assistants, or PSAs). As CBM “owners” within OSD, the PSAs will ensure the alignment of transformation investments to end-to-end operational support improvements. Flag-level, uniformed representation on each CBM support organization leadership team (Table 1-1) ensures that Service perspectives are considered during all CBM decision making.

Table 1-1: Uniformed Representation for Each CBM

Core Business Mission	Owner	Uniformed Representation
Human Resources Management	USD(P&R)	J1 – Manpower and Personnel
Weapon System Lifecycle Management	USD(AT&L)	J4 – Logistics
Materiel Supply & Service Management	USD(AT&L)	DLA, USTRANSCOM
Real Property & Installations Lifecycle Management	USD(AT&L)	J4 – Logistics
Financial Management	USD(Comptroller)	J8 – Force Structure Resources and Assessment

End-to-End Business Process Improvement

A major barrier to information visibility within the Department has been the tendency for Components to build detailed systems around a piece of the solution. Although this approach may have resulted in optimizing sub-processes, it resulted in sub-optimizing the business. For example, consider the logistics area. The pipeline for defense supply distribution engages multiple distinct “stovepiped” operations: Defense Logistics Agency (DLA) owns and operates the supply management system and related distribution depots, the Military Services own and operate the maintenance depot system, the United States Transportation Command (USTRANSCOM) manages defense transportation, and the geographic COCOM owns the theater distribution system. Each of these operations is managed independently by the Components. These stovepipes and their independent management result in gaps, which hinder the visibility that COCOMs need to ensure a rapid and synchronized flow of materiel and information.

DoD recognizes this inefficiency, and today, these organizations are working hard on integrated process solutions encompassing the entire supply chain. Tomorrow, the CBMs will enable the Department to integrate these processes with a cross-Departmental perspective.



Proper Alignment of Authority and Accountability

The Department's business transformation efforts rely on the organizational strengths of the individual Services and Defense Agencies. This is an important distinction because it recognizes that, while the Secretary of Defense sets the tone from the top, each of the Components has its own way of doing business, its own natural constituencies, and its own appropriations. Components are responsible not only for executing their individually assigned missions, but also for ensuring that joint operations run smoothly, and that information flows freely across the enterprise so DoD can function as a cohesive whole.

Major corporations have headquarters organizations that set standards for their business units. Chief among these standards is a common business data framework that allows corporations to interoperate and present a common face to customers. By harnessing information assets and leveraging networked business services, corporate executives have daily visibility into constantly changing customer orders and sales, and therefore, can link changes in demand to production and inventory management. This also enables corporations to share information with suppliers and manage the timing and quantity of replenishment.

DoD is taking a similar approach, employing industry best practices to quickly build out enterprise-wide functionality, which includes data standards, business rules, specific systems, and an associated integration layer of interfaces for the Components. These standards, which are established through joint cooperation, represent the "rules of engagement" to which all DoD Components must adhere. Thus, while the Department is not dictating how to transform, it is ensuring that each Component's transformational program increases the Department's ability to reap the benefits of improved information exchange across organizational boundaries.

This type of integration will drive the Department down the path to interoperability and accelerate the Services' transformation efforts as the Department transitions to a more joint operation. Over time, the DoD Enterprise layer is expected to evolve, bringing increasing levels of interoperability and transparency across DoD. Operationally, the Department is implementing this approach by:

- Dividing the planning and management of strategic systems and initiatives, as appropriate, between DoD-level and Component-level enterprises;
- Establishing common capabilities, clear data standards, and enterprise-wide systems; and,
- Establishing a tiered process for control and accountability over IT investments for both DoD-level and Component-level business systems modernization.

In addition to their role in achieving BEP objectives, the Component's internal business transformation efforts are a critical part of DoD's overall effort. The Services and the Defense Agencies are pursuing their modernization plans to share data, eliminate duplicative or isolated business systems, and provide a "single point of presence" for users to get information. Component priorities are reflected in the individual Component business transformation plans (see Chapters 5-11 of the ETP).

Using this tiered accountability approach, transformation can occur simultaneously throughout DoD with consistency of focus by taking maximum advantage of the Department's leadership structure.



Ongoing Component Engagement

To sustain momentum, DoD's business transformation efforts must be focused on supporting the Department's primary mission—"to provide the military forces needed to deter war and protect the security of the United States." To that end, DoD has restructured its business transformation efforts to both continually receive input from and provide direct and immediate support to the Department's warfighting and business communities. As a matter of both principle and practice, all levels of the Department's business transformation decision-making structure, from the DBSMC to the execution of Business Enterprise Priority programs, bring together Departmental and Component leadership in a cooperative effort.

To address COCOMs' near-term requirements, the Department has established a Business Systems Response Office (BSRO). BSRO focuses on addressing immediate global materiel management problems that adversely impact the warfighting effectiveness of one or more Services. Its solutions, built in coordination among OSD staff, USTRANSCOM, COCOMs, Services, and DLA, serve as a "bridge" to DoD's longer-term defense business transformation initiatives. In short, BSRO represents the voice of the warfighter to the business community and the face of business transformation to the warfighter.

Additionally, the Department has established the Enterprise Resource Planning Support Office (ERPSO) to facilitate Component transformation. ERPSO assists Components engaged in or planning ERP implementations by sharing best practices and lessons learned as well as leveraging the expertise of ERP solution providers. These efforts will help drive the interoperability needed to sustain our warfighters in joint operations by improving the supply chain processes within and among Services and providing accurate and timely financial information to decision makers.

These structured engagement channels are bringing all Components together into a more cohesive decision-making environment within the Department's business community to better support the needs of our forces.

Delivering Measurable Results

For the Department, results will be measured through a series of major and minor milestones—each one contributing to a more advanced and capable business operation.

This transformation is already underway. Through ongoing transformation efforts, the Department has developed a clearer understanding of its expansive business systems environment and has identified where opportunities reside to leverage existing IT assets. Mechanisms have been established to align cross-organizational interdependencies across CBMs to deliver improved capabilities to the warfighting community. Data standards are being implemented to achieve the requisite interoperability of business and financial information. A process for centralized control over IT investments for business systems modernization has been established. And, Business Enterprise Priorities have been identified within each of the CBMs and are being implemented throughout DoD.

Although the Department will identify system terminations, success will not be determined by how many systems are reduced. Systems reductions are a by-product of successful business transformation. Rather, the true measure of DoD's business transformation efforts will be whether our military personnel are paid consistently and accurately, cycle times in our supply chains are reduced, the right materiel is delivered on time to the battlefield, and key



DoD decision makers are provided with visibility of all assets, materiel, and personnel to make better decisions. These types of measures will improve reliability and confidence in DoD's business processes to support customers (warfighters) and enhance the "return on investment" for taxpayers.

Case in Point: From Factory to Foxhole—RFID

DoD's supply chain management is more challenging than the commercial environment. Military "customers" are constantly deploying and redeploying, often halfway around the globe, and even when deployed, "customers" regularly change locations. Because of this, DoD materiel and units are being moved through a dynamic, multi-modal distribution network. Stored materiel is often repositioned to support the customer and is returned when no longer required.

Radio Frequency Identification (RFID) technology addresses one of the military's key challenges: the ability to access and retain supply distribution information in a disconnected environment. With a handheld or remote interrogator, an operator may determine quickly the contents of a supply point populated with containers and pallets. And not only does tagged materiel provide better visibility, it increases the velocity of distribution and increases the accuracy of materiel in transit and in storage.

Today, the United States Marine Corps is pushing the use of RFID technologies into the battlespace. Since March 12, 2005, the 2nd Marine Logistics Brigade has extended the reach of RFID to cover materiel bound for forward deployed combat units, delivering true "factory to foxhole" visibility and control over materiel. By combining significant business process changes, Very Small Aperture Terminal (VSAT) satellite communications capability, and RFID, the deployed forces can now exercise improved control over their logistics pipeline.

After just three months of operation, the benefits included:

- Reduced average wait time for supplies delivered to Forward Operating Bases (FOBs);
- Increased percent of requisitions filled from supplies already in theater; and,
- Reduced requisition backlog processed at Marine logistics hub in theater in part by reducing redundant ordering.

The Department is helping to advance the application of RFID as a best practice to realize seamless military supply chain management and enterprise-wide visibility of materiel assets. By adopting RFID as a standard best practice, the DoD is better able to "see" the disposition of goods as they are moved globally. In addition, because of the focus on deploying common standards and using leading commercial business technologies, RFID is relevant to broader defense business applications. Not only can RFID affect every facet of supply chain management, but, when combined with universal identification of items, individual items with embedded RFID tags could contain information about the vendor, property location, and prior service.



Chapter 2: Transformation Priorities and Programs

Business Enterprise Priorities

Defense business transformation is occurring now—throughout DoD and within each Component, spanning every aspect of our operations. At the Departmental level, DoD has identified and focused its transformation efforts on six strategic Business Enterprise Priorities (BEPs):

- Personnel Visibility
- Acquisition Visibility
- Common Supplier Engagement
- Materiel Visibility
- Real Property Accountability
- Financial Visibility

These BEPs represent those areas where increased focus will bring the most dramatic and immediate positive impact on the Core Business Missions of DoD. The BEPs will enable the Department to better answer basic questions about its people, its assets, its suppliers, and its investments.

Each BEP details measurable program and business capability deliverables spread over the next several years. They will provide enduring improvements to the Department's business infrastructure, benefitting the warfighter through integration of enterprise business processes, reducing system redundancies, and continuously improving financial transparency.

The following sections highlight the plans and business benefits for each BEP. At the end of each section is a table that summarizes the capabilities addressed, the primary milestones that will occur within the next two years, as well as the key enabling programs that will provide improvements in each area.

PERSONNEL VISIBILITY BENEFITS:

- Provide timely availability of accurate human resources and military pay data to Services, warfighters, and managers at all levels.
- Enable management of DoD human resources in a combined (military, civilian, and contract support personnel) environment.
- Optimize the health, health planning, and health management of all beneficiaries (to include family members and retirees).

Personnel Visibility

Personnel Visibility (PV) is real time, reliable information that provides visibility of military service members, civilian employees, military retirees, contractors (in theater), and other U.S. personnel, across the full spectrum—during peacetime and war, through mobilization and demobilization, for deployment and redeployment, while assigned in a theater of operation, at home base, and into retirement. This includes ensuring timely and accurate access to compensation and benefits for DoD personnel and their families and ensuring that Combatant Commanders have access to the timely and accurate data on personnel and their skill sets.

Personnel Visibility is the fusion of accurate human resources information and secure, interoperable technology. These two factors set the objectives for the Personnel Visibility Transformation Plan.

Personnel Visibility Objectives:

- Provide access to more reliable and accurate personnel information for warfighter mission planning;
- Decrease operational cost and cycle times, enabled by increased consistency of data, reduced re-work and data calls;
- Improve accuracy, completeness, and timeliness of personnel strength reports;
- Reduce or eliminate duplicative data capture and access activities;
- Ensure accurate and timely access to compensation, quality of life and other benefits for DoD personnel and their families;
- Ensure accurate and timely access to data on personnel and their skill sets for Combatant Commanders;
- Improve occupational safety through analysis of environmental and safety information and related personnel exposures; and,
- Improve military healthcare delivery through a more efficient healthcare claims system, more accurate patient diagnostic coding, and joint medical materiel asset visibility.

The problems with our military personnel/pay systems are being addressed in the development of new policies, business practices, and systems. The current readiness reporting system, designed for the Cold War, has several serious shortcomings. Personnel databases do not effectively track personnel in theater, so that Combatant Commanders cannot quickly account for all personnel in theater or effectively select people with needed skills. Moreover, the complexity of the systems environment has resulted in slow response to changes in law, policy or regulation because multiple legacy systems must be modified at varying costs and with varying time lines.

The planned solutions for Personnel Visibility will enable secure information sharing in a responsive, streamlined systems environment. DoD



managers at all levels will be able to perform effective analyses of our military personnel issues (including retention, skill mix, and locations) through standardization of data and business rules, and improvements to timeliness and accuracy. Service members and their families will have timely access to entitlements (including those from Veterans Affairs). Simple, integrated Personnel and Pay Systems will begin to eliminate inaccuracies and pay problems.

Improved visibility will enhance DoD's ability to effectively use the National Guard and Reserve. Streamlined mobilization procedures will support proper training and use of skill-sets and experience. Better Personnel Visibility will enable effective management and use of the Individual Ready Reserve (IRR). Improvements to personnel visibility systems will also enable automation of Pre- and Post-Deployment Reserve Component Health Assessment and Line of Duty Access to Care for Reserve and Guard personnel.

While visibility is the priority, it must be balanced with proper safeguarding of privacy act and classified personnel information.

Achieving Personnel Visibility Objectives

The Personnel Visibility portion of BEA 3.0 focuses on nine Business Capabilities: *Manage Personnel and Pay; Administer Position Management; Access Candidate; Manage Assignment and Placement and Transfer; Manage Retirement and Separation; Manage Quality of Life and Morale, Welfare and Recreation; Manage Military Health Services; Manage Benefits; and Manage Travel*. BEA 3.0 defines the processes, roles, data structures, information flows, business rules, and standards required to guide improvements across personnel and health services management. The architecture also highlights interdependencies between HRM and other CBMs. Accordingly, the PV capabilities in the BEA are being used to determine and approve future, as well as to evaluate ongoing, DoD Enterprise and Component programs.

The Department is developing, deploying, or enhancing four Enterprise-wide systems that will be used by all Components to enable transformation:

- Composite Health Care System II (CHCS II)- CHCS II is a medical and dental clinical information system that generates and maintains a comprehensive, life-long, computer-based patient record for all military health system beneficiaries.
- Defense Civilian Personnel Data System (DCPDS) - DCPDS is a web-based human resources system that standardizes civilian human resource processes and promotes efficiency of service delivery for all DoD civilian personnel.
- Defense Integrated Military Human Resources System (DIMHRS)- DIMHRS will provide a fully integrated multi-service pay and personnel system that will support military personnel throughout their careers and retirement. This web-based system will also be used by Combatant Commanders to maintain visibility into the location, status, and skill set of every member of the armed forces.
- Defense Travel System (DTS) - DTS is a web-based system that will replace numerous disparate travel systems. DTS will be the designated single standard system to meet temporary duty travel requirements for all DoD uniformed and civilian personnel.



Table 2-1: Personnel Visibility Capabilities and Milestones

Capabilities	FY06 Milestones	FY07 Milestones
<ul style="list-style-type: none"> • Manage Personnel and Pay • Administer Position Management • Access Candidate • Manage Assignment and Placement and Transfer • Manage Retirement and Separation • Manage Quality of Life and Morale, Welfare, and Recreation • Manage Military Health Services • Manage Benefits • Manage Travel 	<ul style="list-style-type: none"> • Develop a single Systems Integration Test (SIT) to start the process of testing the single deployable release of an integrated military personnel and pay capability • Deploy a Civilian Personnel Data Warehouse to facilitate data sharing • Deploy a capability that allows real-time encounter documentation and enables retrieval of an electronic full medical record at the point of care • Deploy an Automated Permanent Change of Station Travel Capability • Implement Enterprise-wide tools for use with advanced reporting and data warehousing capability • Increase CHCS II system availability to 99.25% for those sites that are operational 	<ul style="list-style-type: none"> • Initial spiral release of integrated personnel and pay management capability to the Army • Deploy an integrated military personnel and pay capability to the Air Force • Accommodate temporary duty travel requirements for all DoD personnel • Deploy integrated dental documentation and practice guideline capabilities
Key Enabling Programs	CHCS II, DCPDS, DIMHRS, DTS	

Impact of Personnel Visibility

Upon full realization of the Personnel Visibility objectives, the ability to rapidly identify who the Department has deployed, and who is available to deploy, to support the nation in times of crisis will be better enabled. Support to our uniformed and civilian workforce will improve through more timely and accurate pay and compensation. The cost of providing personnel management support to our workforce will be significantly reduced. Finally, the Department’s ability to make the best use of our current human resources and plan for the skills we need in the future will be improved, as we obtain on-hand visibility to our current work force skills base.

Acquisition Visibility

Acquisition Visibility (AV) is defined as timely access to accurate, authoritative, and reliable information supporting acquisition oversight, accountability, and decision making throughout the Department for effective and efficient delivery of warfighter capabilities.

Acquisition Visibility brings transparency to critical information for supporting full lifecycle management of the Department’s processes for delivering weapon systems and automated information systems. This goal fully supports the responsibilities, scope, and business transformation requirements of the Weapon System Lifecycle Management (WSLM) Core Business Mission. Acquisition Visibility will:

- Address the full lifecycle of acquisition management, to include: requirements definition, technology development, production, deployment, sustainment, and disposal;



- Identify standard data requirements, authoritative data sources, relevant business rules, standard interfaces, and/or Enterprise-wide solutions;
- Provide accessibility, continuity and accountability of acquisition information required by managers and decision makers;
- Respond to new requirements for acquisition related business transformation capabilities; and
- Ensure compliance and consistency with BEA goals and objectives.

The Acquisition Visibility portion of BEA 3.0 is focused on three AV Business Capabilities: *Manage Acquisition Oversight Integration*; *Conduct Program Management*; and *Monitor Commercial Request for DoD Technology Export*. BEA 3.0 reflects the processes and data required to bring transparency to Departmental operations; illustrates complex interdependencies between the WSLM and other functional areas; identifies gaps; and creates a useable framework to benchmark the transformation of Defense Acquisition.

Currently, DoD generally limits the collection, correlation, and dissemination of acquisition information to mandated reporting and specific formatted products. Today, internal and external reporting requirements are met primarily through manual data collection. Acquisition program and status reporting processes are resource intensive, lack timeliness, and frequently are not authoritative. These limitations create an environment where the norm is reactive responses to existing problems versus proactive management that mitigates potential problems.

Attaining acquisition visibility will address these limitations and enable DoD to take advantage of more complete and timely information to query, collect, analyze, format, and present acquisition management information.

Defense Acquisition Management Information Retrieval (DAMIR) is a DoD initiative to provide enterprise visibility to acquisition program information. The primary goal of DAMIR is to leverage existing data sources to make relevant acquisition information available to all user communities, regardless of the source agency or where the data resides. As DAMIR evolves through spiral development, it will implement new capabilities and ultimately replace the Consolidated Acquisition Reporting System (CARS).

DAMIR's implementation relies on web services and related technology to develop an environment that provides a shared solution that enables end users to collaborate on enterprise acquisition program management oversight. DAMIR will allow users to see the details of relevant data, facilitating timely and accurate management decisions based on in-depth data analysis. The DAMIR tools will harness existing technology to exploit volumes of data and will evolve as the enterprise meets new business challenges.

With DAMIR, program managers will be able to provide more comprehensive and timely program status and deviation information. Such information is required to support program management activities and related acquisition oversight management activities.

ACQUISITION VISIBILITY BENEFITS:

- Enterprise acquisition visibility to programs and status.
- Ability to quickly share information that is accurate, relevant, and consistent.
- Reduce acquisition and management oversight workloads.
- Cost savings for consumables, manpower and support infrastructure.



From an interagency perspective, the Department of State (DoS) and Department of Commerce (DoC) submit export licenses for review by DoD. These reviews often require multiple copies of technical or other supporting documentation that are delivered and disseminated manually. Inspector General and Government Accountability Office (GAO) reviews have determined that automated systems in DoD, DoS, and DoC currently supporting this capability are neither standardized nor interoperable among the reviewing agencies. This limitation results in an inefficient workflow with unnecessary delays. US Export Systems (USXPORTS) was established by DoD to address and solve these automation problems.

USXPORTS electronically disseminates export data using an automated workflow within DoD, and electronically transfers license application data among the interagency export community. DoD reviews license applications from a national security perspective. Automation of the DoD internal review process through USXPORTS also provides DoS and DoC with the ability to submit electronic license applications (received from Industry) to the DoD.

Table 2-2: Acquisition Visibility Capabilities and Milestones

Capabilities	FY06 Milestones	FY07 Milestones
<ul style="list-style-type: none"> Manage Acquisition Oversight Integration Conduct Program Management Monitor Commercial Request for DoD Technology Export 	<ul style="list-style-type: none"> Earned Value Management information exchange from Army AIS via web Services DoD capability for Desktop web enabled DAES Review for assessing acquisition information DoD capability for statutory acquisition information submission from OSD to Congress via presentation tool DoD capability for regulatory review and recommendations submission for commercial business request to export DoD technology USXPORTS achieves Full Operational Capability 	<ul style="list-style-type: none"> DoD capability for statutory and regulatory acquisition information submission from Components to OSD via web services
Key Enabling Programs	DAMIR, USXPORTS	

Impact of Acquisition Visibility

Upon full realization of the Acquisition Visibility objectives, the Department will have the ability to continually assess the status of Defense Acquisition Programs, including their milestone (performance and schedule) and budgetary performance, and compliance with statutory and regulatory information reporting requirements and guidelines. This information should enable more informed balancing of resources among programs to meet the dynamic challenges of evolving national security strategy; improve the ability to oversee acquisition activity and compliance with ethical standards for engagement with industry partners; and provide capability to support warfighter needs in a more efficient and effective manner.

Common Supplier Engagement

Common Supplier Engagement (CSE) is the alignment and integration of the policies, processes, data, technology and people to provide a consistent experience for suppliers and DoD stakeholders to ensure reliable and accurate delivery of acceptable goods and services to support the warfighter.



The primary goal of CSE is to simplify and standardize the methods that DoD uses to interact with commercial and government suppliers in the acquisition of catalog, stock, as well as made-to-order and engineer-to-order goods and services. CSE also provides the associated visibility of supplier-related information to the warfighter and Business Mission Areas. CSE will:

- Streamline and reduce complexities of the process touch points between DoD and suppliers;
- Adopt standard business processes, rules, data, and interoperable systems across DoD;
- Transform internal IT interfaces through application of standard data.

Specific efforts under these objectives include (but are not limited to) deploying DoD-wide the:

- Authoritative source for commercial supplier data;
- Standard method of identifying business opportunities and distributing related information to commercial suppliers;
- Authoritative source for commercial supplier representation/certification information;
- Authoritative source and method for updating government buyer/supplier data;
- Standard method for producing agreements with commercial and government suppliers (to include the phased implementation of the common financial data nomenclature);
- Standard method for commercial suppliers to submit invoices and for the DoD to collect item unique identifiers;
- Authoritative source for commercial supplier subcontract reports; and,
- Standard method for reporting commercial supplier agreement data to Congress and public.

Daily, the DoD procures thousands of goods and services from suppliers throughout commercial industry, the federal government, and internal sources. These activities directly support the warfighter efforts in theater and garrison. To ensure that warfighters have the right goods and services when necessary, the Department must be aligned with its supplier base. The transformation toward CSE is focused on improving the standardization, interoperability, and effectiveness of supplier interaction within the Department.

CSE supports the Department's Mission Area and the warfighter by improving supplier relationships. For example, the CSE portion of BEA 3.0 focuses on the Business Capabilities *Manage Request*, *Manage Sourcing*, *Manage Receipt and Acceptance*, and *Manage Payment*. The architecture defines the processes, roles, data structures, information flows, business rules, and standards necessary to improve knowledge of suppliers and their performance.

COMMON SUPPLIER ENGAGEMENT BENEFITS:

- Improved supplier relationships through consistent data and processes between DoD and its commercial and government suppliers.
- Improved reliability and accuracy of delivered goods and services.
- Increased ability to meet socioeconomic goals through increased visibility of supplier activities.
- Increased operational efficiencies in contingency and garrison operations through standardized data, processes, and systems.



CSE will continue to focus on enhancing the business processes that support supplier integration and delivery of enterprise solutions to drive consistency and commonality throughout the Department, while enabling DoD compliance with federal procurement preference programs. These processes and solutions provide authoritative data sources, data standards, and common processes supporting supplier interactions with the Military Services and Defense Agencies.

They also provide information in support of three of the Department's priority areas— Materiel Visibility, Acquisition Visibility, and Financial Visibility. The DoD Enterprise-level programs that enable this transformation include collection of Item Unique Identification (IUID), processing of Radio Frequency Identification (RFID) information, capturing requirements information, entitling action for payment, processing Intragovernmental Transactions (IGT), and using the Standard Financial Information Structure (SFIS). The resulting outcomes of CSE support all of the Department's Core Business Missions by providing an efficient supply chain for the warfighter.

The Undersecretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) has directed the Components to deploy a set of Interim State Procurement Enterprise systems. These systems, along with systems such as Electronic Document Access (EDA) and Contract Performance Assessment Reporting System (CPARS), form the core of the CSE transition. While many of these systems support multiple CSE Business Capabilities, each has a primary Business Capability to which it aligns.

Additionally, the Department is committed to enabling the President's Management Agenda (PMA) across its activities. As part of the PMA, the federal eGov Integrated Acquisition Environment (IAE) initiative provides a core set of federal-wide systems and functions that the Department is deploying in support of CSE. These federally mandated IAE systems, including Central Contractor Registration (CCR), Federal Business Opportunities (FBO), Federal Technical Data Solution (FedTeDS), Federal Agency Registration (FedReg), On-line Representations and Certifications Application (ORCA), Past Performance Information Retrieval System (PPIRS) and the Excluded Parties Listing System (EPLS), are all in production today and are all being deployed by the Military Components. New IAE systems that are in development, including the Electronic Subcontract Reporting System (eSRS), the Federal Procurement Data System—Next Generation (FPDS-NG), and Wage Determinations On-Line (WDOL), are also part of each Component's planned system landscape. These systems serve as enablers of CSE Business Capabilities as well as enterprise standards and authoritative sources of data. Combined, these IAE solutions will help yield simpler, common, integrated business processes, while also increasing data sharing and enabling better business decisions in procurement, logistics, payment, and performance assessment.

The Standard Procurement System (SPS) is the backbone of the DoD Enterprise contracting and procurement activities, and primarily supports the capabilities of *Manage Sourcing* and *Manage Receipt and Acceptance*. As the core set of sourcing information shared with our suppliers, SPS is the standard for contract generation, modification, and administration. Additionally, the SPS program supports the warfighter in contingency operations. A version of SPS, Battle Ready Contingency Contracting System (BRCCS), is used for contingency contracting in theater. Our movement toward automation will make the contingency contracting process, from requirement to payment, even easier by reducing the manual processes of passing information across the Department and making the information available when it is needed.



The linkage between contracting, logistics, and finance is Wide Area Workflow (WAWF). The mandated system for receipt and acceptance functions, WAWF provides the ability to process invoices and receive reports electronically through the acceptance and payment process. WAWF serves as a collection point for the Item Unique Identification (IUID) information and supports the processing of RFID information. Using WAWF dramatically lowers the interest penalty payments and increases the processing efficiencies of these activities.

Past performance information on suppliers is important to provide a clear view of supplier activity when making source selection decisions. Under *Manage Sourcing* and *Manage Receipt and Acceptance* capabilities for supplier performance information, CSE is leveraging Army and Navy legacy systems to provide an enterprise solution to collect and report performance information from across the Department and support the Program Management activities, which supports Acquisition Visibility.

Strategic Sourcing—meaning procuring goods and services by leveraging the Department’s buying power to achieve greater results—is an initiative that is gaining momentum throughout the federal government. The Department has initiated several strategic sourcing efforts, such as the Air Force’s IT Commodity Council, the Army’s office supplies initiative, and OSD’s joint commodity councils for enterprise-wide strategies for administrative/clerical support and wireless devices/services. To support these initiatives, tools have been piloted jointly for analyzing spend and requirements data. The Acquisition Spend Analysis Pilot (ASAP) (to be followed by a post-pilot Acquisition Spend Analysis Service (ASAS)) and Advanced Requirements Management (ARM) Pilot, led by the Army and sponsored under the Rapid Acquisition Initiative—Net-Centric (RAI-NC) program, provide the ability to collect disparate information in a net-centric fashion and make more informed and effective contracting decisions.

DoD Electronic Mall (DoD EMALL), managed by the Defense Logistics Agency (DLA), provides an online catalog ordering capability that is available to federal users. Supporting the government purchase card, DoD EMALL allows sourcing agreements and contracts to be posted online for ordering. DoD EMALL also supports DoD compliance with federal environmental procurement preference requirements and the DoD Green Procurement Program by enabling customers to identify and purchase environmentally beneficial products. In addition to DoD EMALL, pilot efforts are underway to support strategic sourcing initiatives and provide increased capability to evaluate, source, and execute orders against multiple award contracts across the enterprise.

The next generation of sourcing capabilities is being analyzed as part of the Department’s analysis of alternatives encompassed in the Defense Business Sourcing Environment (DBSE) initiative. This initiative is supported by all Components in an effort to determine what will be needed for the next generation of sourcing capabilities. DBSE will provide recommendations on the process, people, and technology to enable required sourcing capabilities in the future.



Table 2-3: Common Supplier Engagement Capabilities and Milestones

Capabilities	FY06 Milestones	FY07 Milestones
<ul style="list-style-type: none"> • Manage Request • Manage Sourcing • Manage Receipt and Acceptance • Manage Payment 	<ul style="list-style-type: none"> • Concept approval of Defense Business Sourcing Environment • Deploy first phase of automated contingency contracting capability • Defense Business Sourcing Environment Program Approval for Technology Development Phase • Deploy single solution for electronic document storage and viewing • Intragovernmental transaction reimbursables process defined • Deploy authoritative source for commercial supplier subcontract reports • Conduct opportunity analysis for Advance Requirements Management Pilot • Initial production deployment of enterprise spend analysis capability • Deliver enhanced enterprise solution for contract writing • Deploy standard method for reporting contract activity 	<ul style="list-style-type: none"> • Deploy machine integration of authoritative source of common supplier data Enterprise wide • Deploy second phase of automated contingency contracting capability • Second production deployment of Enterprise spend analysis capability • Deploy authoritative source for supplier representations and certifications information Enterprise-wide • Deploy receipt and acceptance capability enterprise-wide • Intragovernmental Transaction preferred alternative solution determined for reimbursables process
Key Enabling Programs	ASAS, ARM Pilot, CC-SF44, e-STRATS, DBSE, CCR, CPARS, DoD EMALL, EDA, eSRS, EPLS, Federal IAE, FedReg, FBO, FPDS-NG, FedTeDS, ORCA, PPIRS, SPS, Strategic Sourcing, WDOL, WAWF	

Impact of Common Supplier Engagement

Upon full realization of the Common Supplier Engagement objectives, the Department will have established standard supply management processes for procurement of materiel and services. These processes will be critical to effective supply chain execution as the DoD moves to performance-based logistics and outsourced services with its industry partners. Such actions will streamline management of payment with the defense supply base and assure compliance to statutory regulations for procurement.

Materiel Visibility

The Materiel Visibility (MV) Business Enterprise Priority is defined as the ability to locate and account for materiel assets throughout their lifecycle and provide transaction visibility across logistics systems in support of the joint warfighting mission.

Materiel Visibility will provide users with timely and accurate information on the location, movement, status, and identity of unit equipment, materiel and supplies, greatly improving overall supply chain performance. The MV BEP will improve the delivery of warfighting



capability to the warfighter as measured in terms of responsiveness, reliability and flexibility. Materiel Visibility will:

- Uniquely identify tangible personal property items to improve the timely and seamless flow of materiel in support of deployed forces; improve asset visibility across the Department; and improve inventory management;
- Improve process efficiency of shipping, receiving, and inventory management by enabling hands-off processing of materiel transactions;
- Provide DoD with the capability to account for and report all materiel costs incurred to acquire and bring military equipment assets to a location suitable for its intended use;
- Ensure materiel hazards and associated risks are readily visible to the warfighter; and
- Transform the Department's supply chain information environment by 1) improving data integrity and visibility by defining, managing, and utilizing item, customer, and vendor master data; and 2) reducing complexity and minimizing variability on the supply chain business transactions by adopting standardized transaction and business rules.

With Materiel Visibility as the backbone, business processes will deliver warfighting capability with greater reliability, speed, and flexibility, from factory to foxhole. In other words, speed, flexibility, and reliability to the warfighter are the anchoring objectives; costs and asset utilization are the constraining factors. Ultimately, improved financial control, efficiency, and effectiveness are by-products of properly deployed and interoperable processes, the central focus of business transformation.

Materiel Visibility and Component Transformation Activities

The Materiel Visibility BEP will support the delivery of products and services to the warfighter by specifying an information environment that is level and consistent across the DoD. MV will provide the ability to see, locate, and account for materiel assets throughout their lifecycle, with transaction visibility across logistics systems and in support of a tiered architecture supported by the two major agents for DoD-wide logistics—DLA and USTRANSCOM—in partnership with the Military Departments and other Components.

The Materiel Visibility BEP supports the transformation of each Component's business operations to achieve integrated end-to-end process interoperability. The result will be a collection of interoperable processes and systems, in an integrated enterprise based on best practices enabled by accessible data from authoritative sources.

Military Equipment Valuation (MEV) provides a useful illustration of the linkage among the Components and with the DoD as a whole. DoD must

MATERIEL VISIBILITY BENEFITS:

- Provide item visibility regardless of platform or owner.
- Achieve lower lifecycle cost of item management.
- Increase warfighter/customer confidence in the reliability of the DoD supply chain.
- Reduce workforce burden through efficiencies.
- Improve access to historical data for use during systems design and throughout the life of an item.
- Provide decision makers with accurate, timely, reliable information upon which to make investment decisions.
- Provide for agency management reporting.
- Facilitate the preparation of financial statements and reports.



make improvements in order to determine the accurate cost of assets and to provide timely information on their disposition. Filling these gaps requires accounting for and reporting of all government costs incurred to acquire and bring a military equipment (ME) asset to a form and location suitable for its intended use. The DoD must also know when an item enters operational use and when it is removed as a result of loss, destruction, or end of useful life.

Significant interaction exists between the Warfighting Mission Area and the Business Mission Area. For example, materiel must flow from business to warfighting seamlessly through an integrated supply chain process.

The MV BEP improvements focus on the information “hand-off” to warfighters. Conceptually, materiel flows forward from the business enterprise to the warfighter in support of the deployed Joint Force, and flows back from the warfighter to the business enterprise during retrograde and reconstitution. The handoffs and transition to and from the warfighter must be transparent and seamless.

As the Materiel Visibility BEP matures, more emphasis will be placed on data-related initiatives. As a first step, USTRANSCOM and DLA in partnership with other Components will facilitate the evolution toward DoD data standards through the adoption of commercial standards. This migration from a proprietary government standard to open commercial standards will improve the DoD end-to-end distribution system, allow visibility of materiel throughout the fulfillment cycle, and allow transmission of information among systems and organizations across the end-to-end enterprise at a rate and with a level of detail currently not possible.

The Materiel Visibility portion of BEA 3.0 is focused on four Business Capabilities: *Perform Build, Make, Maintain, and Sustainment*; *Deliver Property and Forces*; *Dispose or Return Property and Materiel*; and *Perform Asset Accountability*. BEA 3.0 defines the processes, roles, data structures, information flows, business rules, and standards required to drive the information flow through the supply chain.

The business rules incorporated into BEA 3.0 will improve the behavior of the supply chain by standardizing business practices, policies, and vocabulary. Business rules will change the business process and guide transformation. To that end, BEA 3.0 articulates a set of 49 Materiel Visibility rules.

Moreover, there are specific rules that will apply to the Item Unique Item Identification (IUID), the Radio Frequency Identification (RFID), and Military Equipment Valuation (MEV) initiatives of the Department. Additional rules apply to Electronic Data Interchange (EDI), transaction hubs, master data management, the Standard Financial Information Structure (SFIS) as it applies to Materiel Visibility, materiel management, transportation, maintenance and other processes. Component’s transition plans will be updated to implement the business rules.

The explicit focus of USTRANSCOM’s transformation effort is the development of a seamless process to provide better visibility of suppliers from their point of production to their ultimate destination. To achieve this objective, which is central to the overall Materiel Visibility BEP, USTRANSCOM is designing and implementing an end-to-end distribution architecture, aligned with BEA 3.0, implementing a series of initiatives to provide the warfighter with improved visibility across the pipeline, and attain 100% total asset visibility of all materiel and forces. Key initiatives include the Defense Enterprise Accounting and Management System (DEAMS-USTRANSCOM), and several data standard and supply chain interoperability



initiatives being worked in partnership between USTRANSCOM and the DLA, which will serve as the basis for defining and developing data enterprise services for the end-to-end logistics community.

The Defense Logistics Agency is implementing the Materiel Visibility BEP requirements as part of a Services Oriented Architecture, the DLA Integrated Data Environment (IDE), which will consist of a net-centric set of supply chain data enterprise services, with reachback to source systems such as Business Systems Modernization (BSM) and Distribution Standard System (DSS) for materiel and financial visibility, and the Reutilization Modernization Program (RMP) for materiel visibility of excess property. Additionally, DLA will facilitate in FY2006 and FY2007 a phased implementation of the Defense Logistics Management Standards (DLMS) as an essential prerequisite to implementing programs such as the SFIS, IUID, and RFID.

These efforts will enable near-term implementation of Materiel Visibility priorities across the logistics community that have currently been limited by the constraints of the legacy system environment. Building on a DLA IDE and the adoption of common business rules and data standards, DLA is developing the business case for the ultimate Logistics Data Strategy, a Logistics Enterprise Integrated Data Environment (EIDE), which will achieve Materiel Visibility and supply chain data interoperability through the development of enabling data enterprise services for the logistics community. This will ensure that data is accurate, timely, consistent, and available to the warfighter in the form of information.

Specific to the Materiel Visibility objective to value and account for military equipment, OUSD (AT&L) will implement an Enterprise-wide solution to provide the functionality to account for and report capitalization and depreciation of military equipment. The solution will be manifested in the Capital Asset Management System - Military Equipment (CAMS-ME), which will be deployed in increments of increasing capability: Increment 1 will provide a system to maintain the initial baseline data; Increment 2 will provide a system that will calculate military equipment values in an automated way based on transactional data from DoD receipt, acceptance, and payment systems; and, Increment 3 may be deployed if available before the Military Department's Enterprise Resource Planning (ERP) systems are deployed. Increment 3 will provide more granular data and better interfaces to accountability systems. However, the long-term solution for military equipment valuation and for property accountability will be in the deployment of Navy ERP, DEAMS-AF and ECSS, and Army GFEBS and LMP. As these are deployed, they will take over the functionality that CAMS-ME provides.



Table 2-4: Materiel Visibility Capabilities and Milestones

Capabilities	FY06 Milestones	FY07 Milestones
<ul style="list-style-type: none"> • Perform Build, Make, Maintain and Sustainment • Deliver Property and Forces • Dispose or Return Property and Materiel • Perform Asset Accountability <p>Note: Materiel Visibility requires additional capabilities related to the supply chain process planning that will be defined further in future versions of the BEA.</p>	<ul style="list-style-type: none"> • Full capability for electronic management of DoD property in the possession of contractors • Implement RFID tagging for all Class I commodities, and Classes IIIP, IV, V, VII, VIII, and IX shipments to distribution depots, aerial ports, and maintenance facilities • Account for and report full cost to acquire and bring a military equipment asset to a form and location for its intended use • IUID STANAG ratification by NATO Asset Tracking Working Group • Establish database for Military Equipment Valuation baseline balances for FY07 (CAMS-ME FOC) 	<ul style="list-style-type: none"> • Demonstrate an integrated IUID data environment • Suppliers apply passive RFID tags to all shipments for all commodities • All serially managed assets registered in the IUID Registry • Fully integrated capability for uniquely identifying and marking of personal property items in all organic depots • Monitor trading partner migration performance from MILS
Key Enabling Programs	IUID, RFID, MEV, Transition from MILS to EDI or XML	

Impact of Materiel Visibility

Upon full realization of the Materiel Visibility objectives, the Department will have real-time information about its inventory of equipment no matter where it physically resides. Improved readiness and cost reductions will be enabled through the use of this information to optimally deploy this equipment when and where it is needed.

Real Property Accountability

Real Property Accountability (RPA) provides the warfighter and Business Mission Areas access to near real-time secure, accurate and reliable physical, legal, financial and environmental information on real property assets in which the Department of Defense has a legal interest.

RPA goals enable warfighter and business mission continuous access to information for evaluation of real property. For example, assisting the Enterprise-wide Installations and Environment community improve management of dispersed and disparate real property assets is one RPA goal. Other goals include facilitating management of lifecycle real property information by Installation Managers while supporting enterprise requirements such as financial reporting. RPA objectives include:

- Increased access to more reliable and accurate real property information for both warfighter and business mission planning use;
- Enhanced ability to link individual people and personal property to specific real property assets and their physical locations within business and tactical systems;
- Decreased operational cost and cycle times, enabled by increased consistency of data, reduced re-work and data calls;
- Improved accuracy and auditability of financial statements;



- Reduced or eliminated duplicative data capture and access activities;
- Provision of a single source for 24x7, secure and accurate location information available for transportation, warfighting logistics, and planning providing geospatial, technical and related real property data; and
- The inclusion of Environmental Liabilities Recognition, Valuation and Reporting Requirements (ELRV&RR) and processes, as well as Hazardous Materials Process Controls & Information Management (HMPC&IM) requirements into the BEA, linking the data from the former to the real property inventory, and the latter as a control to the material management process.

Following the delivery of BEA 3.0, additional goals will be addressed by the Real Property & Installations Lifecycle Management (RPILM) Core Business Mission Area and include:

- Completing an Analysis of Material Alternatives (AoMA) to identify the optimal mix for real property inventory IT systems throughout the Department;
- Developing a Real Property Asset and Site Unique Identification (RPUID) Registry, assigning unique identifiers to all DoD real property sites and assets, and linking to these geospatial and other relevant real property management data;
- Establishing uniform data requirements for management of all DoD real property;
- Supporting the Components in deconflicting their real property asset portfolios;
- Supporting the Components in integrating legacy inventory IT systems with the RPUID registry and expanding it to include individual assets;
- Working with the Components in migrating their disparate data to the uniform real property data requirements; and
- Identifying additional gaps in achievement of effective RPA and prioritizing reengineering efforts. For example, the real property lifecycle encompasses operation, maintenance, disposal, etc.

While the DoD Installation and Environment community has served the warfighter and business mission successfully over several decades, disparate processes and information support systems have hampered its ability to address the customers' requirements adequately. These deficiencies are manifested in redundant data calls, lack of system interoperability, cost inefficiencies, etc. These deficiencies and material weaknesses have resulted in numerous initiatives and reports designed to improve DoD Real Property Asset Management.

The Real Property Accountability portion of BEA 3.0 focuses on four Business Capabilities: *Real Property Inventory*; *Real Property Acceptance*;

REAL PROPERTY ACCOUNTABILITY BENEFITS:

- Access to more reliable and accurate real property data, providing the capability to electronically manage the DoD real property portfolio.
- Accurately identify and value environmental liabilities (estimated at over \$64 billion), directly supporting improved financial visibility and real property accountability.
- Make accurate location information available to the transportation, warfighting, logistics, and personnel communities.



Hazardous Materials Process Controls and Information Management; and Environmental Liabilities Identification and Valuation. There are no current enterprise systems that support the capabilities for Real Property Accountability; therefore, Components will implement RPA requirements in their respective systems guided by the standards, data, and processes documented in BEA 3.0.

The DoD Installations & Environment (I&E) community is working to meet the policies' goals and resolve material weaknesses through the development of collaborative solutions across the Department. The DUSD(I&E) established the Business Transformation (BT) Directorate within I&E to facilitate I&E community transformation with the DoD Service and Agency Components.

As provider of transformation support, the BT Directorate works with the Components to identify transformation priorities, capabilities and initiatives for cross-DoD benefit.

RPA and Component Processes and Systems

The RPILM products produced in support of achieving the RPA BEP are the tools or enablers of business transformation throughout the DoD I&E communities. They provide the roadmap for process and system migration and describe the “To-Be” end state. RPILM does not manage enterprise systems that support the capabilities identified in the RPA BEP. Therefore, the DoD Components will implement the “To-Be” RPA requirements in their respective systems.

Table 2-5: Real Property Accountability Capabilities and Milestones

Capabilities	FY06 Milestones	FY07 Milestones
<ul style="list-style-type: none"> Real Property Inventory Real Property Acceptance Hazardous Materials Process Controls and Information Management Environmental Liabilities Identification and Valuation 	<ul style="list-style-type: none"> Standardize processes and data for management of real property inventories Complete linkage of environmental requirements with real property inventory Achieve initial operation capability for site and asset UID registry Establish target geospatial data model for sites and land parcels Implement Defense Installations Spatial Data Infrastructure strategic viewer Release HazMat Phase I Requirements Document Complete HazMat BPR Phase II and integrate Phase II products across CBMs 	<ul style="list-style-type: none"> Achieve fully capable RPUID site registry for use by the Components Standardize Hazardous Materials business processes and data standards available
Key Enabling Programs	RPIR, RPUID, RPAR, ELRV&RR, and HMPC&IMR	

Impact of Real Property Accountability

Upon full realization of the Real Property Accountability objectives, the Department will be able to link people to the physical assets for which they are responsible with greater accuracy, improving readiness and deployment capability. Correlation of environmental liabilities to specific real property assets in the DoD inventory will help manage and reduce financial risk associated with environmental requirements. Establishment of standard location and geospatial data for our real property inventory will form building blocks for improved personnel visibility, logistics and materiel distribution processes.



Financial Visibility

Financial Visibility (FV) means having timely access to accurate and reliable financial information (planning, programming, budgeting, accounting, and cost information) in support of financial accountability and efficient and effective decision making throughout the Department in support of the missions of the warfighter.

At the highest level, the goal for Financial Visibility is more efficient and effective decision making throughout the Department and assistance in satisfying the DoD-wide effort to achieve financial auditability. The core set of objectives for this Business Enterprise Priority (BEP) include:

- Creating transparent financial data throughout the enterprise;
- Establishing authoritative financial data sources;
- Enhancing and expanding access to authoritative data sources for timely analysis (DoD Enterprise-level business intelligence);
- Enabling the linkage for resources to business outcomes;
- Creating and implementing common financial language across the DoD; and
- Eliminating existing financial management weaknesses and deficiencies.

Financial Management (FM) is engaged at all levels within DoD and throughout the operational theater because accounting and finance underpins every function, transaction, and management decision. FM's role is to provide timely, reliable, and accurate financial information to enable a shared understanding of how funds are brought into the Department, how allocation decisions are made, how resources are being used to achieve the mission, and how DoD's investments are reported to the American people.

The Financial Visibility portion of BEA 3.0 focuses on six Business Capabilities: *Forecast, Plan, Program, and Budget; Manage General Ledger; Manage Financial Assets and Liabilities; Managerial Accounting; Financial Reporting; and Funds Allocation, Collection, Control, and Disbursement*. BEA 3.0 defines the processes, roles, data structures, information flows, business rules, and standards required to guide improvements that enable financial visibility. The architecture also highlights interdependencies between the FM CBM and other CBMs.

The following are highlights of planned near-term activities related to improved financial visibility:

- Deploy data standards (e.g., Standard Financial Information Structure (SFIS) and unique identification (UID)) at the Department level that will enable data interoperability, traceability, visibility, and valuation of key assets (e.g., weapon systems, materiel assets, real property, etc.) as well as improve financial visibility and auditability;
- Complete standard data element definitions to support managerial/cost accounting;
- Provide standards-based DoD Enterprise-level Program and Budget data definitions and business rules for Acquisition Category (ACAT) 1 Major Defense Acquisition Programs (MDAPs);
- Establish initial standards to integrate budgeting with execution financial information;
- Deploy DoD Enterprise-level business intelligence, including management dashboards and drill down from summary to detail capability, for initial usage for select Components and the Office of the Secretary of Defense (OSD); and



FINANCIAL VISIBILITY BENEFITS:

- Report revenues and expenses by programs that align with warfighting goals versus by appropriation categories only, enabling decision makers to reliably evaluate program options and resource constraints.
- Standardize financial data and the reporting process, reducing the cost of auditability.
- Consolidate disbursement and collection information into a single Enterprise-wide system that provides standardized Treasury reporting.
- Provide a standardized process for financial management activities associated with intragovernmental exchanges of goods and services.

- Implement DoD-level financial improvement plan with Components to achieve clean audit opinions for balance sheet items that represent the largest asset and liability categories; integrate this plan with the BMMP systems transition plan

While the current plan for enhancing Financial Visibility across DoD is a comprehensive view of achievable targets, gaps remain. For example, there is a need to provide the Defense Agencies (other than the Defense Logistics Agency) with modern systems to support end-to-end financial management transaction processing and reporting. The Financial Management community has recently begun an initiative to identify the optimal solution to satisfy this need, with the OSD Financial Management Transition Team (FMTT) working in close collaboration with the Defense Finance and Accounting Service (DFAS) and the rest of the Defense Agencies in defining the objectives, high level requirements, and possible solution scenarios. Among the options being explored include a new commercial off-the-shelf software (COTS) financial management solution, adoption of an existing COTS financial management solution, joining an existing COTS financial management implementation (such as Defense Enterprise Accounting and Management System (DEAMS) or General Fund Enterprise Business System (GFEBS)), or a combination to address a logical grouping of Agency needs.

Financial Visibility and Component Transformation

Transformation requires tight linkage between vision, policy, and standards identified at the OSD level, and the deployment activities that occur within the Components. Each of the five initiatives identified within the Financial Visibility Business Enterprise Priority has a direct positive effect on the transformational efforts of the Components.

For example, the SFIS initiative has moved from the initial definition stage at the OSD level into the deployment stage at the Component level. Three different approaches have been established to assist the Components in building the appropriate deployment strategy based on their particular needs.

1. The **Legacy Accounting System** approach will utilize a centralized SFIS cross walk capability, which is being developed as part of the Business Enterprise Information Services (BEIS). This approach focuses primarily on legacy accounting systems in use throughout DoD today, but also encompasses cash and funding systems whose information is required to facilitate calculation of undistributed amounts within BEIS. These systems will be required to submit detail level accounting transactions to BEIS for conversion to SFIS equivalent data elements and subsequent posting to a United States Standard General Ledger (USSGL) compliant DoD corporate general ledger. This portion of the SFIS implementation initiative commenced in July 2005. Future milestones as depicted in Table 2-6 depend upon anticipated reallocation of FY06 funding.



Table 2-6: Timeline for Component Migration to SFIS Compliance within BEIS (Legacy Accounting Systems)

Timeline	Jan-06	Mar-06	Jul-06	Oct-06	Jan-07
SFIS Scope	SFIS elements needed to support USSGL postings	SFIS elements needed to support Budgetary Reports and CFO Statements	Remainder of Phase I elements	All Phase I elements	Phase I and Phase II elements
Components	Army GF USSOCOM GF MDA DARPA TMA	Army GF USSOCOM GF Marine Corps GF MDA DARPA TMA DSCA WHS JCS	Army WCF Marine Corps WCF DoD Agencies GF DoD Agencies WCF	Navy GF Navy WCF	Air Force GF Air Force WCF

Legend: CFO=Chief Financial Officer; DARPA=Defense Advanced Research Projects Agency; DSCA=Defense Security Cooperation Agency; GF=General Fund; JCS=Joint Chiefs of Staff; MDA=Missile Defense Agency; TMA=TriCare Management Activity; USSOCOM=United States Special Operations Command; WCF=Working Capital Fund; WHS=Washington Headquarters Service

2. The **Business Feeder System** approach will require incorporation of SFIS elements within business systems, which create business transactions within DoD. This approach applies to systems which create transactions such as travel orders, contracts, contract modifications and certain types of invoices. This approach may also encompass certain entitlement and disbursing systems in use throughout the Department today which receive source transaction data from the previously mentioned feeder systems, perform entitlement matching functionality and generate associated payments.

Certification of this approach will vary. Systems in a development cycle were required to submit plans for SFIS compliance by September 30, 2005. Systems in sustainment were required to submit compliance mappings by August 31, 2005. Major Acquisition Information Systems (MAIS) systems must incorporate SFIS requirements in their Operational Requirements Document (ORD) and their Test and Evaluation Master Plan (TEMP) and complete successful testing prior to approval of Full Operational Capability (FOC).

3. The **Target Accounting System** approach encompasses emerging environments, including new Enterprise Resource Planning (ERP) systems. These systems are Federal Financial Management Improvement Act (FFMIA) compliant and configured to post transactions to an internal USSGL compliant general ledger.

This approach requires certification of the ability to receive SFIS data as part of source transactions and derive the appropriate budgetary and/or proprietary general ledger entries in accordance with the USSGL transaction library. The USSGL transaction library will be included in their requirements and testing documentation (i.e., ORD, TEMP) and successfully tested prior to Milestone C. In those cases where the system has entered limited deployment, successful testing will be completed prior to approval for FOC.

Each Component is identifying the optimal path to achieve SFIS compliance based on its own system landscape, but all are doing so based on the same set of standardized definitions, business rules, and data values.



Similar to the SFIS deployment strategy, the Components play an integral role in each of the other four Financial Visibility initiatives (which are all described in detail in Volume II).

- The **Business Enterprise Information Services (BEIS)** migration path is outlined in Table 2-6 above. This migration will also continue as the emerging systems come on line in each of the Components. These emerging environments will eventually replace many of the feeds into BEIS that exist today.
- The **Defense Cash Accountability System (DCAS)** program is an enterprise solution that is on-boarding additional Components at each phase (phases and impacted Component operations are depicted in the DCAS summary chart in Volume II).
- The **Intragovernmental Transaction (IGT)** initiative is still in its formative stage as a program, focusing currently on enterprise requirements and solution approach. Once this phase of the initiative is complete, an integrated rollout schedule will be developed to account for Component-level deployment.
- The **Program Budget Framework (PB Framework)** is also in the early stages of defining requirements and establishing enterprise standards. Again, once these are complete and communicated throughout the Department, Component rollout plans will follow.

Table 2-7: Financial Visibility Capabilities and Milestones

Capabilities	FY06 Milestones	FY07 Milestones
<ul style="list-style-type: none"> • Forecast, Plan, Program, and Budget • Manage General Ledger • Manage Financial Assets and Liabilities • Managerial Accounting • Financial Reporting • Funds Allocation, Collection, Control, and Disbursement 	<ul style="list-style-type: none"> • Initiate the phased implementation of a solution to manage intragovernmental transactions • Begin integrating planning and programming with budgeting on an initial limited scale • Begin Enterprise-wide standard reporting for financial asset and liability types • Enable enterprise-wide cash accountability from a single source • Enhance ability to reconcile Fund Balance with Treasury • Begin to propagate managerial accounting data elements within enterprise financial systems • Enhance operational cost accounting activities through standardized data requirements • Incorporate additional financial management data standard elements into corporate reporting structure • Expand external reporting via single, standardized authoritative data source 	<ul style="list-style-type: none"> • Expand the set of PPBE standards-based coding requirements • Provide Enterprise-wide standard reporting for financial asset and liability types • Identify DoD Enterprise-level entitlement systems • Begin Enterprise-wide disbursing from a single source to increase efficiency and auditability • Increase the number of DoD entities for which transaction-level financial information is provided to corporate general ledger • Begin summary-level financial information posting to the corporate general ledger • Propagate managerial accounting data elements within enterprise financial systems • Enhance operational cost accounting activities based on the propagation of standardized data requirements • Expand external reporting and DoD Enterprise-level business intelligence via single, standardized authoritative data source • Implement SFIS Phase II elements • Complete SFIS Phase III definition
Key Enabling Programs	BEIS, DCAS, SFIS, IGT, PBFramework	



Impact of Financial Visibility

Upon full realization of the Financial Visibility objectives, the Department will increase the speed and accuracy of financial reporting, enabling rapid decision making and resource allocation decisions to support dynamic national security needs. The creation of authoritative sources for financial information and analysis, and the implementation of a standard financial language for DoD financial systems, will also contribute to the Department’s ability to better depict its financial condition as confirmed by clean audit opinions.

BEP Summary

As highlighted in each BEP summary, Figure 2-1 shows the Business Capabilities that the Department needs to improve in order to achieve the goals and objectives of each priority and to support the overall desired outcomes of business transformation. Further details on the process for identifying capabilities are described in Chapter 3.

Business Capabilities are the building blocks for defining and implementing the transformation. A Business Capability is the ability of an organization to execute a specific course of action to deliver value. Each capability includes a combination of business processes, people, tools, information and/or systems.

The capabilities shown in the figure below are the capabilities identified to date for the Department’s first set of enterprise priorities as described in the preceding pages. These capabilities will be implemented by a combination of solutions, including Enterprise-wide systems, or Enterprise-wide standards, Component systems, and/or policy and organization changes.

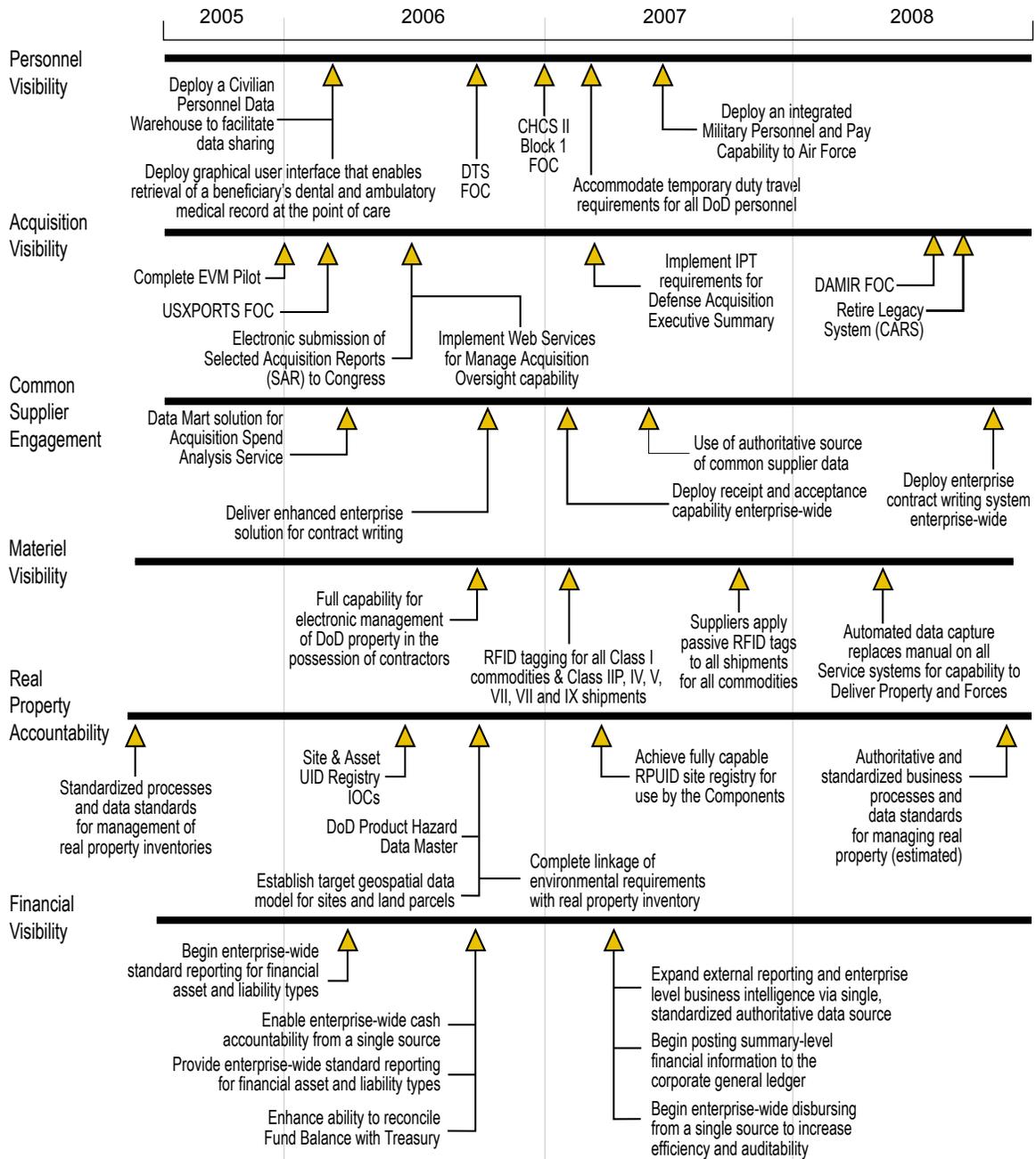
Figure 2-1: DoD Business Enterprise Priority Capabilities

Personnel Visibility	Acquisition Visibility	Common Supplier Engagement	Material Visibility	Real Property Accountability	Financial Visibility
Manage Personnel and Pay	Manage Acquisition Oversight Integration	Manage Request	Perform Build, Make, Maintain and Sustainment	Real Property Inventory	Forecast, Plan, Program, and Budget
Administer Position Management	Conduct Program Management	Manage Sourcing	Deliver Property and Forces	Real Property Acceptance	Manage General Ledger
Access Candidate	Monitor Commercial Request for DoD Technology Export	Manage Receipt and Acceptance	Dispose or Return Property and Materiel	Hazardous Materials Process Controls and Information Management	Manage Financial Assets and Liabilities
Manage Assignment and Placement and Transfer		Manage Payment	Perform Asset Accountability	Environmental Liabilities Identification and Valuation	Managerial Accounting
Manage Retirement and Separation					Financial Reporting
Manage Quality of Life and Morale, Welfare and Recreation					Funds Allocation, Collection, Control, and Disbursement
Manage Military Health Services					
Manage Benefits					
Manage Travel					



Figure 2-2 below summarizes the key Business Capability milestones for all six BEPs, representing key steps along the path to overall business transformation.

Figure 2:2 Key Milestones by Business Enterprise Priority (by calendar year)



The DIMHRS program is being re-baselined and as a result the dates may change. Any changes will be incorporated in the next version of the ETP.



Table 2-8 provides a summary of budgeted investment resources required for the programs and offices supporting the Business Enterprise Priorities and Component priorities. The submitted budget is the current articulation of resource needs to support transformation. This summary is based on the President's Budget for FY2006 (PB06)—revised requirements from BEA 3.0 and associated investment decisions will be reflected in later updates to the President's Budget (and correspondingly in the ETP). Table 2-8 includes budgets only for investments in the target solutions. In addition to this, the Business Mission Area requires funding for the continuing operation and improvement of the full scope of DoD business systems. For example, while Table 2-8 shows \$4.2B of investment in target programs, the ETP also lists other systems that are part of the target environment as well as legacy systems being migrated—the FY06 budgets addressed by those additional programs included in the ETP are \$0.94B (these other resource needs are detailed in PB06 IT budget exhibits rather than in the ETP). The budget information provided below, and the budget details found in Appendices A and I, support DoD leadership in making tradeoff decisions across the BMA.

Table 2-8: CBM and Component Priority Budget Summary

Priority Programs		FY04 & Earlier	FY05	FY06	FY07	Total
Enterprise	Human Resources Management	1,641.0	303.8	369.0	343.3	2,657.1
	Weapon System Lifecycle Management & Materiel Supply & Service Management	566.1	117.2	207.1	202.2	1,092.6
	Real Property & Installations Lifecycle Management	—	3.9	—	—	3.9
	Financial Management	296.0	38.4	31.7	21.4	387.5
	BMMP (TSO and CBM support)	318.0	126.9	170.0	172.6	787.5
Enterprise Total		2,821.2	590.2	777.7	739.5	4,928.6
Component	Army	2,815.2	544.7	606.0	748.6	4,714.5
	Navy	4,737.3	1,889.2	1,993.0	1,955.8	10,575.2
	Air Force	639.9	380.5	441.3	479.6	1,941.3
	DLA	1,191.8	288.1	337.8	219.5	2,037.2
	USTRANSCOM	50.1	19.2	14.0	10.8	94.0
	DFAS	19.1	12.6	32.9	41.4	106.0
Component Total		9,453.3	3,134.3	3,425.0	3,455.6	19,468.2
TOTAL		12,274.5	3,724.5	4,202.7	4,195.1	24,396.8

FY05 and earlier figures represent budgets or actual obligations.

FY06 and FY07 figures reflect the President's Budget (PB06) submission of 5 March 2005.

These figures include both IT and non-IT business transformation programs, which include some programs not characterized as "Business IT" in DoD budget exhibits.

All dollar amounts are in millions.

See Appendix A, B, and I for further details.

DoD leadership has designated accountable programs to provide improvements to the required Business Capabilities. These accountable programs—both systems and initiatives—are shown in the figure below. These programs represent DoD Enterprise-wide and Enterprise-level solutions and standards for improvements to Business Capabilities. For all solutions, deployment involves implementing process and policy changes, training staff, implementing the necessary facility improvements, as well as realigning organizations and roles to the target solution to increase business value.



Figure 2-3: DoD Business Enterprise Priorities Systems and Initiatives

Personnel Visibility	Acquisition Visibility	Common Supplier Engagement	Material Visibility	Real Property Accountability	Financial Visibility
CHCS-II DCPDS DIMHRS DTS	<i>DAMIR</i> USXPORTS	CPARS <i>DBSE</i> DoD EMALL EDA <i>Federal IAE</i> -CCR -EPLS -eSRS -FBO -FedReg -FedTeDS -FPDS-NG -ORCA -PPIRS -WDOL <i>CC-SF44</i> SPS <i>Strategic Sourcing</i> -ARM Pilot -ASAS -e-STRATS WAWF	<i>IUID</i> <i>MEV</i> <i>MILS to</i> <i>EDI or XML</i> <i>RFID</i>	<i>ELRV&RR</i> <i>HMPC&IMR</i> <i>RPAR</i> <i>RPIR</i> <i>RPUID</i>	BEIS DCAS <i>IGT</i> <i>PB Framework</i> <i>SFIS</i>

System
 Initiative

Additional information on these Enterprise programs is contained in several appendices.

- **Appendix A:** Contains the objectives for each program, dates for program milestones, the number of systems migrated to that system and budget information through FY07.
- **Appendix E:** Contains more specific information on BEP capabilities, systems and initiatives.
- **Appendix F:** Provides a master list of Business Systems and Initiatives that will be part of the target environment.
- **Appendix G:** Presents system migration diagrams (also known as “fishbone charts”) for the Enterprise Business Systems.
- **Appendix H:** Shows for each system (called a “target system”) all the legacy systems migrating to it. This appendix provides a tabular summary depiction of the System Evolution Description (SV-8).
- **Appendix I:** Provides funding summary information for systems and initiatives through FY11.
- **Appendix J:** Contains a Gantt Chart that shows system and initiative deployment milestones as well as system migration and retirement milestones.
- **Appendix K:** contains performance measurement, risk, and cost/benefit analysis information sheets related to each system and initiative.



Chapter 3:

Transformation Leadership and Approach

Delivering Improved Business Capabilities: New Tools, New Rules

The Department's business transformation is directed at delivering improved Business Capabilities rather than focused on the implementation of individual business systems. The process will be guided by an enterprise architecture designed to address well-defined priorities for the DoD business enterprise. Strong and active transformation governance is critical to both the determination of priorities and the implementation of systems and initiatives that support these priorities.

The DoD's business transformation leverages past experience and institutionalizes new tools and new rules under a new governance construct that guides and facilitates implementation. The changes in governance include increased senior leadership direction and involvement, new investment oversight, enhanced program management, and increased engagement and coordination among OSD, the Services, Defense Agencies, and Combatant Commands.

Executive-level Oversight and Involvement

Large-scale business transformation efforts in the private sector have demonstrated that change does not occur without senior leadership commitment and involvement in the process. Recognizing this need, the Department has established a formal structure to engage executive leadership in both the direction and execution of business transformation efforts.

The following senior oversight bodies have been established to maintain the highest level of executive involvement:

Defense Business Systems Management Committee (DBSMC)

The DBSMC was chartered by the DoD in February 2005 to oversee transformation in the BMA and to ensure that it meets the needs and priorities of the warfighter. The DBSMC is the senior-most governing body overseeing Business Mission Area transformation, and it convenes under the personal direction of the Deputy Secretary of Defense to review capability requirements, set/reassess business priorities, and monitor progress to plan. The DBSMC is composed of the Deputy Secretary of Defense, the Under Secretaries, the Chairman of the Joint Chiefs of Staff (CJCS), the Secretaries of the Military Departments and the heads of the Defense Agencies, the Combatant Commanders of USTRANSCOM and Joint Forces Command, the Assistant Secretary of Defense for Networks and Information Integration/DoD Chief Information Officer (NII/CIO), and the Directors of

Program Analysis and Evaluation (PA&E) and Administration and Management (A&M) in advisory roles.

The DBSMC reviews and approves the BEA and the ETP. The DBSMC recommends policies and procedures required to integrate DoD business transformation and attain cross-Department, end-to-end interoperability of business systems and processes. An important part of the DBSMC oversight includes ongoing review and approval of common DoD-wide standards and interfaces that Components must use to achieve interoperability. The DBSMC approves investment decisions and continually monitors schedule and milestone completeness, costs and resources, performance metrics, and risks.

USD Principal Staff Assistants (PSA)

The Under Secretary of Defense Principal Staff Assistants (PSAs) support the DBSMC in the top-level management of enterprise business IT investments associated with improving the Core Business Missions of Human Resources Management, Weapon System Lifecycle Management, Materiel Supply and Service Management, Real Property and Installations Lifecycle Management, and Financial Management. Each PSA serves as the Certification Authority (CA) accountable for obligation of funds for enterprise business system investments within designated CBMs.

The CAs use the BEA and the ETP, with advice from their respective Investment Review Boards (IRBs), to provide the DBSMC with recommendations for system investment approval. The CAs also frame issues and present alternatives to the DBSMC for leadership action.

Investment Review Boards (IRBs)

IRBs form the decision-making body of the Core Business Missions with oversight of the investment review processes for those Business Capabilities supporting activities under their designated areas of responsibility. Using standard operating procedures and guidelines, and with representation from the relevant Services, Defense Agencies, and Combatant Commands, each IRB will assess modernization investments relative to their impact on end-to-end business process improvements supporting warfighter needs. Detailed information regarding the IRB review and approval process is outlined in the *Investment Review Process Overview and Concept of Operations for Investment Review Boards*.

Business Transformation Agency

The DBSMC recently approved the establishment of a Defense Agency to support Enterprise-level business transformation. Although details are under development and will be sent to Congress in the next couple of months, the Business Transformation Agency (BTA) will report to the Under Secretary of Defense for Acquisition, Technology, and Logistics, as the vice chair of the DBSMC. The BTA shall establish a Defense Business Systems Acquisition Executive (DBSAE) to serve in the BTA as the Component Acquisition Executive (CAE) for DoD Enterprise-level business systems and initiatives. The BTA shall also be responsible for integrating the work of the OSD Principal Staff Assistants in the areas of business process re-engineering, core business mission activities and Investment Review Board (IRB) matters as determined, and revised by the DBSMC. The BTA shall also ensure consistency and continuity across the Core Business Missions of the Department. Major organizations within the BTA will include the: Defense Business Systems Acquisition Executive (DBSAE), Transformation Support Office (TSO), Business Systems Response Office, ERP Support Office, and the former OSD-level domain organizations.



Defense Business Systems Acquisition Executive (DBSAE)

The DBSAE is a Flag Officer or equivalent Senior Executive Service (SES) position and supporting staff within the BTA that will exercise acquisition executive oversight for DoD Enterprise-level MAIS and non-MAIS business acquisition programs in accordance with the Defense Acquisition System (DAS), as implemented by the DoD 5000 series directives and instructions. The DoD CIO will serve as the Milestone Decision Authority (MDA) for Acquisition Category I (ACAT I) programs assigned to the DBSAE. The DBSAE will serve the MDA for ACAT III-assigned programs. The DBSAE receives operational instructions from the Deputy Under Secretary of Defense for Business Transformation and the Deputy Under Secretary of Defense for Financial Management, until the director of the BTA is named. For acquisition matters, the DBSAE will follow the acquisition chain to the DoD CIO, as the Department's executive responsible for acquisition oversight of information technology programs.

Tiered Accountability for Execution

The Department's approach to business transformation relies on accountability at multiple tiers of the organization. Responsibilities are aligned with the decentralized management structure of the Department so that accountability for the planning and management of systems and initiatives between the DoD level and the Component level is clearly defined.

The DBSMC will monitor progress of overall business transformation efforts.

Table 3-1 summarizes the roles that Enterprise-level organizations will perform during each step of transformation. Component organizations will perform similar roles.

Oversight of defense business transformation is provided through dual leadership from the Under Secretary of Defense (Acquisition, Technology, and Logistics) and the Under Secretary of Defense (Comptroller) organizations.

Component-level business transformation is the responsibility of the Component headquarters, however, their efforts will intersect with DoD-level governance principally through the Investment Review Process and Core Business Mission leadership. Components will work within this structure to develop strategies, schedules, and budgets for their Component transformation and they will define Business Capabilities, architectures, and transition plans that align to the DoD Enterprise-level architecture and transition plan. Components will also provide program oversight, program status reports, portfolio management for respective systems, and pre-certification of systems as part of their accountability to the DBSMC.



Table 3-1: DoD-Level Transformation Roles

	Set Priorities	Assign Accountability	Build / Refine Architecture & Transition Plans	Define and Fund Programs	Execute
DBSMC	Review	Review	Approve	Approve	Monitor
PSA	Set BEPs	Assign	Build / Refine Review BEA and ETP	Certify	Monitor
BTA/ DBSAE				Define	Monitor
Component HQs	Set Component Priorities	Assign	Build / Refine Review Component Priorities and Transition Plans Integrate with BEPs	Pre- certify	Manage
Program			Participate	Define	Implement

Disciplined Program Management and Investment Control

Another important construct of the business transformation is the application of a rigorous and milestone-controlled program management system to the overall effort. The systems and initiatives that comprise the DoD Business Enterprise Priorities (described in Appendix A), will be managed according to a structured acquisition process, ensuring that cost, schedule, and performance requirements are met through each program's acquisition lifecycle.

As systems and initiatives within the BEPs move through their respective acquisition lifecycles, the management of the corresponding portfolio of IT investments will be coordinated and disciplined as well. IRBs at both the DoD Enterprise level and Component level will assess and approve business system funding requests consistent with established criteria. They will work within this structure to align and leverage existing transformation efforts.

The transformation of systems and the business processes they support must be accomplished without interrupting the level of support provided to the warfighter and on-going military operations. Focused priorities, which target modular Business Capabilities, will ensure continuity of support when they are implemented by well-disciplined programs. A critical aspect of transition planning involves capturing and analyzing system migration schedules to ensure that essential functions in support of the warfighter are always provided across the enterprise. Appendix G depicts system migrations in diagrams. Appendix H presents system migration information in spreadsheet form. Both formats show information regarding a target system and all of the legacy systems migrating to that system.

A Managerial Mindset and Accountability for Results

As the Department addresses the challenges resulting from changes in the national security environment, DoD managers must continually examine how well current and planned programs support the overall defense strategy. Business transformation entails not only improving processes and technology infrastructure but also shifting the culture to a managerial mindset,



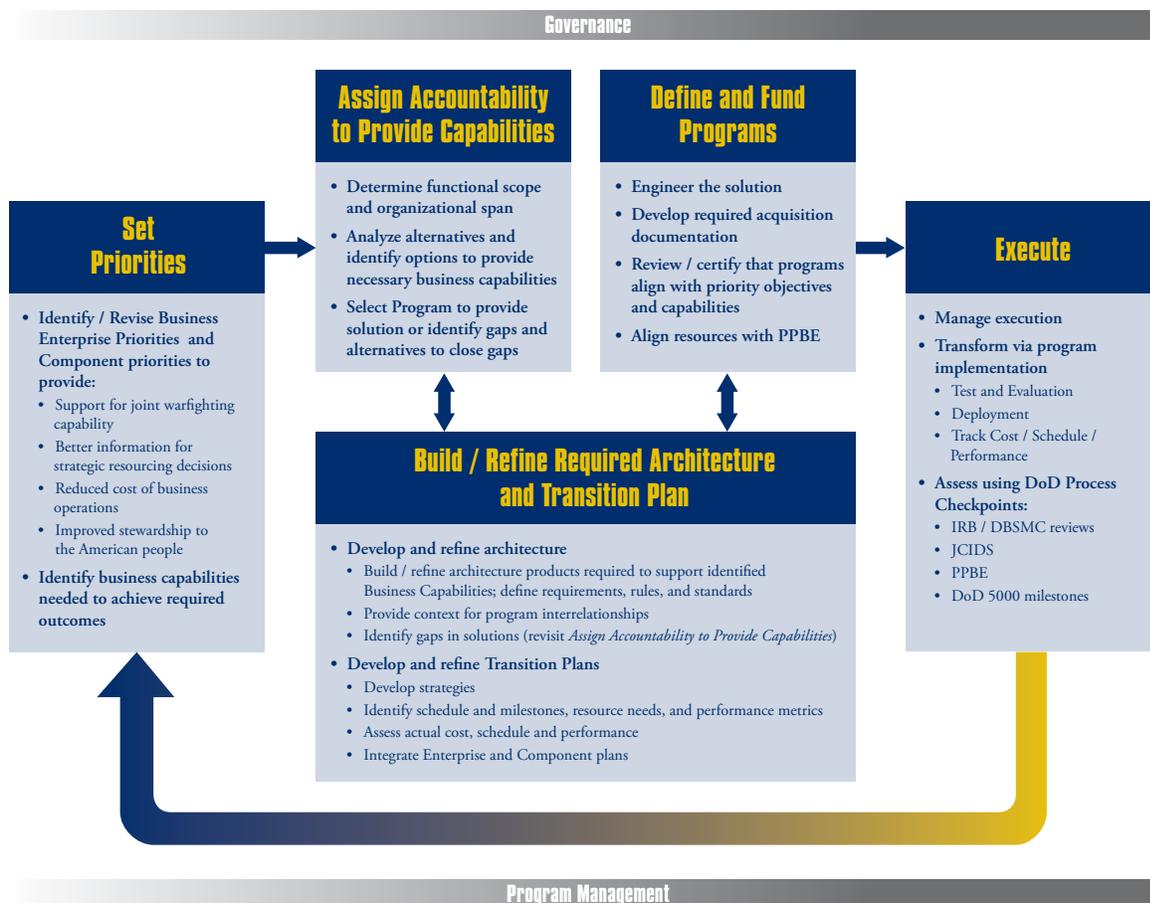
which requires thinking about what the customer (warfighter) needs across the spectrum of military operations versus satisfying regulatory and institutional processes.

As business transformation is aligned to the DoD's mission of full military preparedness, the managerial culture is becoming more collaborative, proactive, and forward-thinking. There is a new momentum to understanding what capabilities the warfighters need and achieving those capabilities. Accountability for results—both to the warfighter and the American public—is clearly defined as business transformation priorities are identified, agreed upon by defense managers and senior flag officers, and then implemented through a disciplined and controlled management process with assigned ownership.

Transformation Approach

This Enterprise Transition Plan (ETP) lays out a systematic approach for achieving DoD's business transformation by implementing technology, process, and organizational change. The transformation approach describes how the DoD identifies and achieves required outcomes. It is a five-step process that occurs concurrently at the DoD Enterprise and Component levels. Each step is revisited and improved as necessary. The process is summarized in the sidebar and illustrated in Figure 3-1.

Figure 3-1: BMMP Transformation Approach



SET PRIORITIES

- Identify/revise Business Enterprise Priorities and Component priorities to provide:
 - Support for Joint Warfighting capability.
 - Better information for strategic resourcing decisions.
 - Reduced cost of business operations.
 - Improved stewardship to the American people.
- Identify Business Capabilities needed to achieve required outcomes.

Set Priorities

The starting point for transformation is understanding the current and planned business operations, problems, and required capabilities—and then envisioning a desired “To Be,” or end state. That end state is defined as the answer to a business problem or question. These questions include:

- Who are our people? What are their skills? Where are they located?
- Who are our industry partners, and what is the state of our relationship with them?
- What assets are we providing to support the warfighter, and where are these assets deployed?
- How are we investing our funds to best enable the warfighting mission?

These questions address the need for senior leaders to obtain accurate, reliable, and timely information for decision making.

The CBM support organizations/CAs/IRBs set priorities and the DBSMC reviews these BEPs, as articulated in Chapter 2, based on the desired outcomes—those areas where transformed business operations provide improved support for joint warfighting capability, provide better information for strategic resourcing decisions, reduce the costs of business operations, and improve the stewardship of government resources and taxpayer dollars to the American people.

DoD leadership is responsible for working with all relevant CBM support organizations to define the goals, objectives, and specific requirements that provide the basis for the planning, development, and implementation of the business transformation. Next, leadership determines the Business Capabilities that require improvement to accomplish the priority’s goals, objectives, and requirements. Capabilities identification will be conducted as part of the Joint Capabilities Integration and Development System (JCIDS) process. JCIDS maintains oversight of these joint systems from concept generation through implementation.

Business Capabilities target the specific objectives of their associated BEP. The capabilities are the building blocks for defining and executing the transformation. They provide an organizing and unifying structure for architecture, transition planning, and portfolio management. They represent the required people, process, and technology to be transformed. The implementation of systems and initiatives designed to provide specific Business Capabilities will lead to the transformation.

Business Capabilities are modular, which will enable portions of the enterprise to transform with minimal impact on other operations. This modularity allows individual Business Capabilities to be implemented in phases, deploying at different points in time and employing separate solutions.



Example: For the Personnel Visibility BEP, HRM has defined an objective to achieve total personnel visibility and accountability to include: military service members; civilian employees; military retirees, and other U.S. personnel in a theater of operations (including contractors and other federal employees). This objective encompasses the Business Capabilities Administer Position Management; Manage Assignment and Placement and Transfer; Access Candidate; Manage Personnel and Pay; Manage Retirement and Separation; Manage Quality of Life and Morale, Welfare, and Recreation; Manage Military Health Services; Manage Benefits; and Manage Travel.

Assign Accountability to Provide Capabilities

For the Business Capabilities required to accomplish each BEP, DoD leadership (the CBM support organizations and their respective IRBs, supported by Component leadership) will identify the functional scope and organizational span of each solution. The functional scope refers to particular activities (and associated processes, roles, and systems) to be transformed by that solution. The organizational span refers to which Military Services, Defense Agencies, and COCOMs will use the solution. To minimize implementation risk, and maximize modularity, functional scope should align to a well-defined set of Business Capabilities. To balance economies of scale, implementation risk, and the specialized needs of customers, leadership must determine whether the solution or standard will be Enterprise wide, Enterprise level, or Component level.

- An **Enterprise-wide solution** refers to a single solution for all of DoD.
- An **Enterprise-wide standard** defines a common standard across DoD.
- An **Enterprise-level solution** refers to a single solution used by DoD leadership, usually an aggregation of Component system information for oversight or external reporting.
- A **Component-level solution** refers to multiple solutions, with each Component providing its own solutions.

Once the functional scope and organizational span have been determined, leadership will analyze alternatives and identify options to provide the improvements to the necessary Business Capabilities. DoD leadership will identify any gaps where no accountable program currently exists, or where planned programs do not provide for a Business Capability. If any gaps exist, the CBM support organizations will identify means to close those gaps. The CBM support organizations will then weigh the merits of each option, consider any gaps, and select the option that best fits the desired outcomes of business transformation.

For systems solutions (modifications or new systems), the assignment of accountability is controlled by the Defense Acquisition System (DoD 5000

ASSIGN ACCOUNTABILITY TO PROVIDE CAPABILITIES

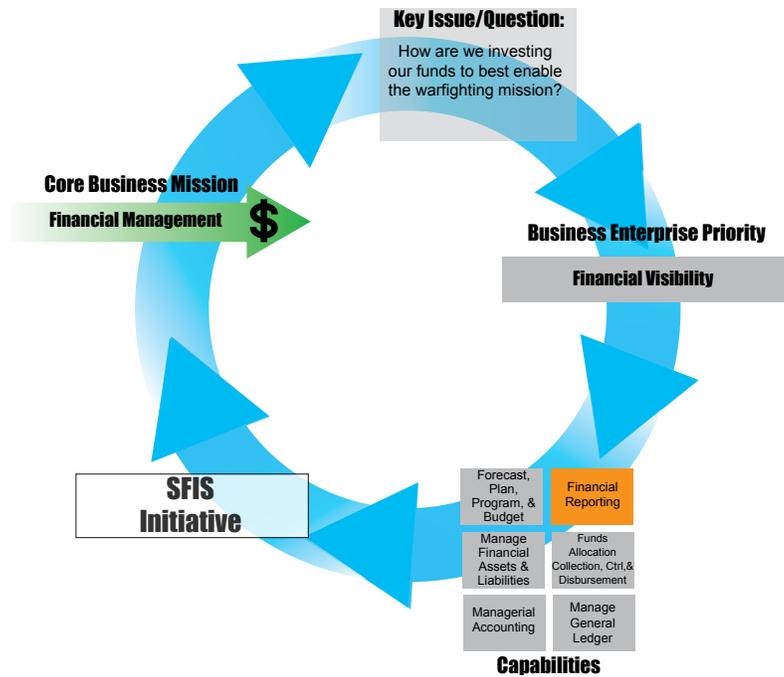
- Determine functional scope and organizational span.
- Analyze alternatives and identify options to provide necessary Business Capabilities.
- Select program to provide solution or identify gaps and alternatives to close the gaps.



series), which provides the management principles and mandatory policies and procedures for all acquisition programs. It establishes a framework for translating mission needs, requirements, and technology opportunities into manageable acquisition programs. Its primary objective is to acquire quality products that satisfy user needs with measurable improvements to capability and operational support, in a timely manner and at a fair and reasonable price.

Figure 3-2 below illustrates how the steps lead from a given business mission to a particular program as the solution for providing an improved Business Capability.

Figure 3-2: Selecting a Program to Provide a Solution



Build/Refine Required Architecture and Transition Plans

The BEA and Component architectures describe the vision for the “To Be” state across DoD’s Business Mission Area (BMA). In order to best support the warfighter, the BEA aligns with the warfighter, Intelligence, and Enterprise Infrastructure architectures. To promote commonality across the Federal Government, the BEA also aligns to the Federal Enterprise Architecture.

Within the BMA, the enterprise architecture plays a critical role in transformation by establishing clear linkages among CBMs, BEPs, Business Capabilities, and Systems/Initiatives. To be successful, the implementation of specific Systems and Initiatives must be tightly, cleanly, and precisely focused on their associated Business Capabilities, BEPs, and their targeted outcomes. The BEA documents the business activities, rules, system functions, and standards that enable each Business Capability to be implemented through a solution that encompasses people, process, and technology.

The approach to using enterprise architecture for transition planning has evolved. Initial efforts were architecture-driven, compliance-controlled, and centrally managed. Under the



new strategy, the approach is now capability-driven, process-controlled, and architecture-guided. Now, the business transformation approach consists of setting priorities based on warfighting needs and financial accountability, assigning programs to provide the capabilities of those priorities, refining the architecture and transition plan to support those particular decisions, funding the approved programs, and then implementing the transformation. In other words, business transformation applies a “form follows function” principle: the architecture evolves and matures as the Department’s priorities are defined, viable programs emerge, and DoD-wide standards are instituted. This approach to enterprise architecture will result in fewer overlapping and outdated business systems.

Define and Fund Programs

Defining programs to provide improved capabilities is based on developing the solutions using established requirements, architecture guidance, and the implementation strategies articulated in transition plans.

To obtain the necessary funding to improve Business Capabilities, OSD and the Components will develop acquisition documentation required by the Defense Acquisition System (DoD 5000 series).

The DoD Investment Review process provides oversight and review of defense business systems modernization efforts exceeding \$1 million, as well as those programs designated as special interest by the Certification Authority. Investment Review Boards (IRB) are expected to “Enable transformation by ensuring investments align with DoD strategic mission, goals, and objectives and with Core Business Mission (CBM) capabilities.” The Investment Review process requires any defense business system modernization effort exceeding \$1 million to obtain Service or Agency pre-certification, review approval from the appropriate IRB, and certification from the corresponding Certification Authority. As discussed throughout the ETP, IRBs review programs, CAs certify investments in those programs, and the DBSMC approves the investments.

OSD and the Components submit budgets and budget change proposals as part of the Budgeting phase of DoD’s Planning, Programming, Budgeting and Execution Process (PPBE), with a similar process beyond the budget year with programming (POM development) and program change proposals. This process also establishes corporate performance outcome measures, and tracks execution against budget.

Example: *As required by the NDAA, FM will be preparing PPBE submission to the DFAS budget and an IRB certification package for BEIS for submission to the Under Secretary of Defense, Comptroller (USD(C)), the Certification Authority for financial management.*

BUILD / REFINE ARCHITECTURE AND TRANSITION PLANS (OSD AND COMPONENTS)

- **Develop and refine architecture.**
 - Build / refine architecture products required to support the identified Business Capabilities; define requirements, rules and standards.
 - Provide context for program interrelationships.
 - Identify gaps and overlaps in identified solutions (revisit *Assign Accountability to Provide Capabilities*).
- **Develop and refine Transition Plans.**
 - Develop strategies.
 - Identify schedules and milestones, resource needs, and performance metrics.
 - Assess actual cost, schedule, and performance.
 - Integrate Enterprise and Component plans.

DEFINE AND FUND PROGRAMS

- **Engineer the solution.**
- **Develop required acquisition documentation.**
- **Review/certify programs align with priority objectives and capabilities.**
- **Align resources with PPBE.**



EXECUTE

- **Manage Execution.**
- **Transform via Program Implementation.**
 - **Test and Evaluation.**
 - **Deployment.**
 - **Track Cost / Schedule / Performance.**
- **Assess using DoD process checkpoints.**
 - **IRB/DBSMC reviews.**
 - **JCIDS.**
 - **PPBE.**
 - **DoD 5000 milestones.**

Execute

At the DoD-level, program offices for funded systems and initiatives will implement and manage their respective programs to achieve the Business Capabilities that support the BEPs' objectives. While programs generally support transformation through system implementation, they may also help the Department transform through changes to policy, processes, and roles.

Transformation will be tracked through performance metrics that quantify and qualify progress. Component-level metrics will be documented in the appropriate Component transition plans, and Enterprise-level metrics will be documented in the ETP Appendix K (Program Performance Management). The metrics and risks defined in Appendix K allow leadership to track transformation progress.

Transformation progress will also be assessed through DoD processes at defined checkpoints such as IRB/DBSMC reviews, JCIDS and PPBE milestones, and DoD 5000 milestones.

Throughout the development process, solutions will be incrementally tested and evaluated, and certified as BEA compliant. Developmental testing will identify technical problems that require resolution and validate system technical performance. Operational testing will assess each system's effectiveness and suitability. Enterprise systems classified as new acquisitions or pre-Milestone C are required to plan, execute, and successfully satisfy all aspects of developmental and operational testing, including BEA compliance. Certain designated Enterprise systems also will be subject to BEA compliance testing and interoperability testing as specified in the system's Test and Evaluation Master Plan.

Throughout DoD's business transformation, the ETP and Component transition plans will be refined to reflect progress to date as well as the decisions at the program, BEP, and CBM support organization levels that refine or change strategies or solutions.



Chapter 4:

Next Steps

This chapter provides the status and next steps for enterprise architecture and transition planning to meet DoD's long term business transformation objectives. In so doing, the Department will comply with the requirements for defense business systems articulated in the FY2005 NDAA. The release of BEA 3.0 and the ETP reflect significant accomplishments that lay the foundation for the work that lies ahead.

In order to sustain its current momentum, the Department's business transformation effort must remain synchronized with numerous other efforts aimed at transforming the Department. This chapter provides highlights of these initiatives and explains how they will impact and be impacted by DoD's business transformation.

Architecture and Transition Planning: Status and Next Steps

Architecture

BEA 3.0 provides the architectural framework for an information infrastructure for the DoD, including business rules, requirements, data standards, system interface requirements, and the depiction of policies and procedures. This framework is provided through a set of DoD Architecture Framework (DoDAF) products, including Operational, Technical, System, and All View products.

BEA 3.0 was developed under the DoD tiered accountability concept reflecting the Business Enterprise Priorities within the Core Business Missions. Through this concept, a DoD Component is responsible for defining an enterprise architecture associated with their own tier of responsibility, while complying with the policy and BEA at the DoD Enterprise level. Within the DoD Business Mission Area, the BEA and Component Enterprise Architectures provide required guidance as part of a federated approach. Additionally, the BEA is federated with the Federal Enterprise Architecture (FEA) and other external architectures. Subsequent releases of the BEA will continue to use a federated approach to define and enforce the seams or interfaces between each tier, thus ensuring interoperability and information flow to support decision making at the appropriate level.

This federated approach for the BEA is markedly different from earlier attempts to manage a single, centralized architecture spanning the full range of functions and activities of the Department. This transformation effort focuses on providing tangible outcomes for a limited set of priorities, and on developing architectures that are linked, realistic, and actionable. The current scope, defined by the six BEPs, permits the BEA to develop and expand in a controlled and consistent fashion. The framework and architecture products developed for these

BEPs may be extended to all defense business systems and initiatives. As new priorities are identified and existing priorities mature, DoD may refine and extend the BEA to address these required priorities.

As the BEA continues to mature, additional business processes and activities identified as “gaps” in Version 3.0 will be defined, decomposed, and re-engineered. These gaps include, but are not limited to: (1) planning, programming, and budgeting; (2) commercial entitlement; (3) returned payment management; (4) decision support system; (5) intragovernmental sales; and (6) real property creation, maintenance, and sustainment. Relevant authoritative guidance and SFIS impacts will be considered as these gaps are addressed.

In developing BEA 3.0, DoD identified areas for future architecture development. Full descriptions are provided within the BEA in the AV-1. These findings include:

- Improving linkages to warfighter requirements and objectives—To ensure that DoD’s business transformation is relevant to its overall mission, transformation must focus on improving support to the warfighter. Accordingly, the current effort has concentrated on identifying those key systems and initiatives that will provide the highest benefit to the warfighter. Even with this focus, further enhancements must link BEA and warfighter architecture more tightly. warfighter linkage must be more explicit within the BEA by building links between the BEA and the warfighter portion of the Global Information Grid (GIG) Architecture.
- Enhancing the PPBE and program management portions of the BEA—BEA 3.0 has little depth in these areas. Future versions of BEA will provide a more robust, mature, integrated PPBE and program management architecture. The Department recognizes the need to document a clear planning process that balances requirements with resources and provides direction. For example, in order to model the end-to-end supply chain fully, the planning process must be included in the architecture. Completing the planning function within the BEA will additionally better integrate each of the BEPs.
- Enhancing integration between DoD Enterprise and Component Enterprise architectures—While the Component transition plans submitted in support of the ETP address some of their linkages to the DoD Business Enterprise Priorities, the underlying architectural linkage will be built out in future versions.
- Enhancing net-centricity in the BEA—BEA 3.0 must be enhanced to better designate authoritative data sources, identify required business services, and leverage Net-Centric Core Enterprise Services.

Transition Planning

The Enterprise Transition Plan is designed to guide and track the transformation of the DoD Business Mission Area (BMA) by:

- Describing what DoD is trying to achieve and how we will know when we get there;
- Providing milestones to realize Business Capabilities;
- Identifying tangible benefits for each investment; and
- Establishing a Program Baseline against which to measure progress and support program management discipline.



The ETP addresses the six Business Enterprise Priorities at the DoD Enterprise level and contains transformation plans for the three Military Departments and three of the Defense Agencies/COCOMs.

The ETP complies with FY05 NDAA requirements for a transition plan to implement the Business Enterprise Architecture. The ETP presents the acquisition strategy for new systems and lists all systems that are part of BEA 3.0, as well as all systems that have more than \$10 million in planned investment (IRB Tier 1 and Tier 2). The ETP contains a termination schedule for those legacy systems that will be replaced by systems in the target BEA environment. With the exception of the limitations listed in Table 4-1, this plan contains time-phased milestones, performance metrics, and a statement of resource needs for new and existing systems that will be part of the BEA. Consistent with tiered accountability, systems that are outside the current scope and organizational span of the BEA are managed within Component Transition Plans.

Within each BEP, programs have been designated to provide specific solutions. As these programs mature, they will address incomplete milestones, resource needs, and metrics. In addition, these programs will determine specific termination dates for migrating systems. More complete information will be depicted in future versions of the ETP.

Table 4-1: Limitations of the Current ETP

Category	Limitation	Future Version
Selected Solutions	<p>Four Business Capabilities have pending solution decisions (BEP in parenthesis):</p> <ul style="list-style-type: none"> • Manage Request (CSE) • Manage Payment (CSE) • Real Property Inventory (RPA) • Manage Financial Assets and Liabilities (FV) 	<p>Reflect decisions regarding solutions as they are made</p>
Milestones	<p>The following programs lack defined future milestones:</p> <ul style="list-style-type: none"> • ADLS • eMILPO • NTCSS <p>Milestones for 14 programs (listed in Tables 4-2 and 4-3) are dependent on additional funding or reallocation of FY06 funds. The Dept. of the Army and the Dept. of the Navy have not yet documented milestones for the achievement of Component priorities, though they do have milestones for the associated individual programs.</p>	<p>Complete program planning and reflect milestones and metrics once approved by DoD leadership</p>
Metrics	<p>Four programs do not yet have metrics documented:</p> <ul style="list-style-type: none"> • CC-SF44 • DBSE • e-STRATS • IGT 	<p>Complete program planning and reflect metrics once approved by DoD leadership</p>
Resource Needs	<p>Some programs lack distinct budgets (part of other programs) Current budget does not reflect all BEA and ETP requirements</p>	<p>Reflect more updated and distinct program budgets in next budget submission</p>
Systems Migrations / Terminations	<p>Many systems have not determined specific dates for migration and termination</p>	<p>Identify specific dates as decisions are made</p>



Twelve Enterprise programs have milestones dependent on additional funding or reallocation of FY06 funds (some of this funding reallocation will come from within the BMMP budget).

Table 4-2: Enterprise Programs with Milestones Dependent on Additional Funding or Reallocation of FY06 Funds

BEP	Program Acronym	Program Name
Common Supplier Engagement	ARM Pilot	Advanced Requirements Management Pilot
Common Supplier Engagement	ASAS	Acquisition Spend Analysis Service
Common Supplier Engagement	CC-SF44	Contingency Contracting SF 44
Common Supplier Engagement	e-STRATS	e-Strategic Sourcing
Real Property Accountability	ELRV&RR	Environmental Liabilities Recognition, Valuation and Reporting Requirements
Real Property Accountability	HMPC&IMR	Hazardous Materials Process Controls and Information Management Requirements
Matériel Visibility	MILS to EDI or XML	Transition from MILS to EDI or XML
Financial Visibility	PB Framework	Program Budget Framework
Real Property Accountability	RPAR	Real Property Acceptance Requirements
Real Property Accountability	RPIR	Real Property Inventory Requirements
Real Property Accountability	RPUID	Real Property Asset and Site Unique Identification
Financial Visibility	SFIS	Standard Financial Information Structure

Two Component programs have milestones dependent on additional funding or reallocation of FY06 funds. The PB07 budget exhibits will reflect any additional or reallocated funds for these programs.

Table 4-3: Component Programs with Milestones Dependent on Additional Funding or Reallocation of FY06 Funds

Component	Program Acronym	Program Name
DFAS	Disb HPO	Disbursing High Performing Organization
Dept. of the Air Force	FM SDM	Financial Management Service Delivery Model



The ETP will also change as the current BEPs evolve and new ones are added, resulting in a larger scope in future versions, as reflected in Table 4-4.

Table 4-4: Future ETP Scope

Type of Scope	Current Scope	Future Version
Organizational Plan	Six Components	Add remaining Defense Agencies with Tier 1 and Tier 2 Programs
Functional Scope	Six BEPs, 30 Component Priorities	Add and enhance priorities

The evolution of the ETP will be driven by:

- Identifying warfighter and decision maker needs through further delineation of Business Capabilities;
- Mapping new capability requirements to new or existing BEPs and Component priorities;
- Identifying gaps between BEA 3.0 requirements and currently planned program activity; and
- Planning new systems and initiatives to address gaps identified in priorities, capabilities and existing program activities.

Future versions of this plan will achieve tighter integration between DoD Enterprise and Component transition plans, assess the maturity of DoD's Business Capabilities, and reflect the Department's progress in achieving business transformation goals and milestones.

Effective change management will also drive DoD's business transformation. Changes in training, leader development, organizations, and individual roles and responsibilities will all be required to address the full scope of improvements to the Business Capabilities. As DoD's business organizations and individual programs evolve their strategies for change management, more of these activities will be reflected in the Department's transformation plans.

Integration with Other Transformation-Related Initiatives

Other efforts in the DoD will affect transformation either directly or indirectly as a secondary consequence of those activities. These include the Defense Acquisition Performance Assessment, the Quadrennial Defense Review (QDR), the Base Realignment and Closure (BRAC) commission; and Financial Improvement and Audit Readiness (FIAR). The program will continually assess the effect of these efforts on business transformation.

Defense Acquisition Performance Assessment

The Defense Acquisition Performance Assessment is reviewing the Department's current acquisition practices, particularly in relation to cost overruns, delays, and other challenges with some development programs. The panel performing the assessment is evaluating the structure, process, and governance for acquisitions, in addition to changes in acquisition practices. The panel's report is expected to influence the Quadrennial Defense Review (QDR).



Quadrennial Defense Review

The 2005 QDR will provide insight into the long-term view of Defense transformation—including business transformation as one key area—and the type of force the United States should have in 20 years. The QDR addresses the Department's force structure, force modernization, infrastructure, budget, procedures, roles, functions, information flows, and legislative initiatives. The strategic direction provided in the QDR will have operational impacts to the Department's plan for business transformation.

Base Realignment and Closure (BRAC)

At the time of the printing of the ETP, the Department does not know what decisions will be made by the President and Congress concerning the BRAC Commission's recommendations. However, we do know that the proposed changes have the potential to affect our business systems, processes, and facilities. Additionally, as reassignments are implemented, DoD will analyze changes to the total force—military, civilian, and contractors—and evaluate how to operate in a leaner environment without sacrificing organizational effectiveness. DoD's business transformation efforts will reflect changes in processes, systems, milestones, and funding that are tied to BRAC recommendations.

Financial Improvement and Audit Readiness

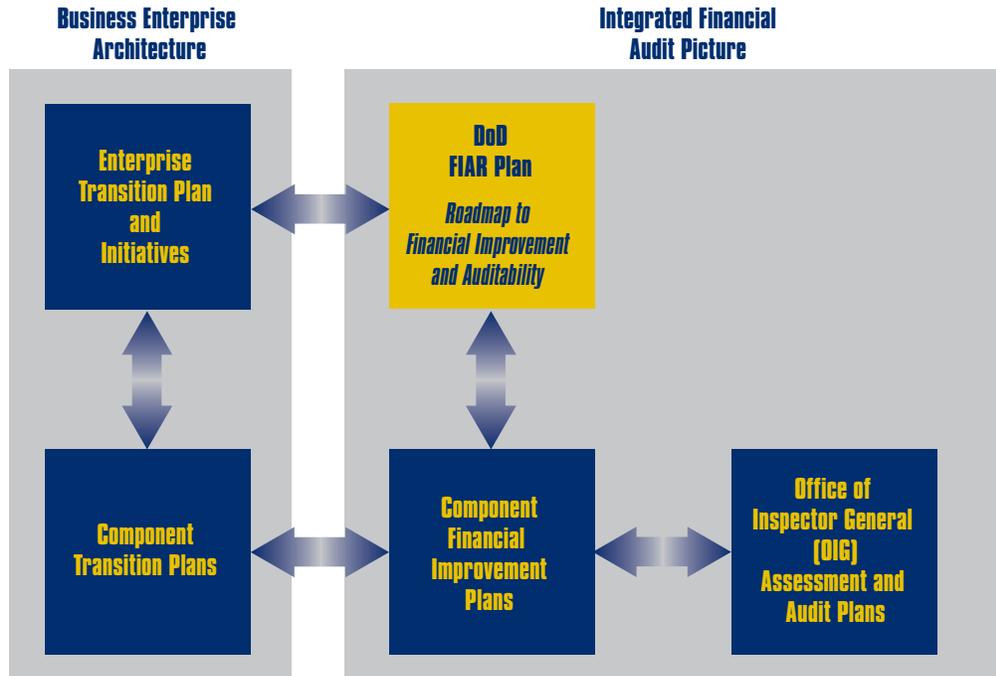
The Financial Improvement and Audit Readiness (FIAR) Directorate of the Office of the Under Secretary of Defense (Comptroller), in collaboration with the DoD Components through the FIAR Committee, is managing DoD-wide financial improvement efforts and integrating those efforts with transformation activities across the Department. These efforts will result in the FIAR Plan, which will create and communicate a DoD-wide strategy and systematic approach for making improvements to financial and business operations within the Components (below the DoD Enterprise level), while also prioritizing and synchronizing efforts to achieve clean audit opinions. These efforts underscore the Department's commitment to fiscal stewardship and accountability.

The FIAR Plan identifies, coordinates and prioritizes policy, process, internal control, system, human resources and organization corrective actions and activities to improve financial and business operations and capabilities—the same capabilities addressed by the BMMP. The FIAR Plan ensures that Component requirements and plans for the deployment of modern financial and business systems are consistent with the ETP. In addition, the FIAR Plan identifies and ensures that Components' actions are consistent with financial improvement and audit readiness priorities and objectives established by the FIAR Committee.

As reflected in the FIAR Plan, the Department's near-term objectives include efforts to improve financial management and auditability in four areas: military equipment, military retiree eligible health care fund liabilities, real property, and environmental liabilities. These four areas comprise some of the most significant balance sheet categories, and therefore will enable substantial financial improvement and auditability progress by 2007. Improved financial auditability is a by-product of improved business operations that will be sustainable over time.



Figure 4-1: FIAR Plan Integration



The FIAR Plan also identifies and establishes dates for incrementally achieving Component audit opinions by line item, for each financial statement, and on the DoD Consolidated Financial Statements. The Department will ensure that these dates are achieved through the focused management efforts of the FIAR Directorate and FIAR Committee, and by closely linking these dates with the information on systems and initiatives in the ETP.

National Security Personnel System

In the Fiscal Year 2004 Authorization Act, Congress granted the DoD the authority to implement a new, flexible civilian personnel system. The system, known as the National Security Personnel System (NSPS), will enable the DoD to attract, develop, compensate and retain a high performing work force, needed by DoD to meet the national security demands of the twenty-first century. NSPS will provide flexibilities so we can reduce our reliance on the military to perform jobs that civilians can and should perform, freeing up the military to perform its warfighting duties. NSPS is a mission-driven, performance based system that motivates, recognizes and rewards excellence, which will result in an overall improvement to mission effectiveness and enhanced national security. NSPS will also serve as a key tool in accomplishing DoD's Human Capital Management Plan by reinforcing the high performing behaviors that are the Plan's hallmark. NSPS includes a new labor relations system, a new appeals process and an enhanced human resources system covering staffing, workforce shaping, recruitment, compensation (pay banding) and performance management (pay for performance). It is a rigorous and broad-based effort to modernize the DoD's civilian personnel system. NSPS



will create a new framework of rules, regulations, and processes — rooted in the principles of flexibility and fairness — that improves the way DoD hires, assigns, compensates and rewards its employees, while preserving the core merit principles, veterans' preference and important employee protections and benefits. The NSPS performance management system is designed to foster a high-performing culture, encourage employee engagement and robust communication, and enhance the overall effectiveness of the Department. Supervisors will work with employees to establish performance goals and expectations that are aligned with mission-related goals and DoD transformation objectives. NSPS will allow for greater flexibilities in pay for performance, which will help to tie the Department's transformation objectives to the compensation of the workforce.

Net-Centricity

Migration to a net-centric environment is a key enabler of IT support for the Department's business transformation. Net-centricity is the power of leveraging digital networks and information technology to distribute information instantly where needed. The net-centric approach will make information and capabilities currently locked in individual applications more accessible throughout each Core Business Mission's end-to-end process. OSD(NII) is leading DoD's effort to implement fundamental Net-Centric Enterprise Services to handle the underlying infrastructure needs for net-centricity (e.g., enterprise data storage).

Net-centricity enables transformation by allowing applications to share data and services more effectively and flexibly, thereby allowing more agile, effective business processes to be used with minimal cost duplication. Net-centricity enables information and capabilities to be usable, accessible and readily visible. For example, when purchasing a plane ticket via the web, travel web sites access common data and services to check flight availability, assign seats, and validate credit cards. Net-centricity also gives decision makers and analysts a more robust ability to search, access, and understand the meaning of each piece of information. The net-centric approach will enable substantially improved access to business information and dramatically shorten decision cycles.

The DoD transformation effort is employing principles of net-centricity to business transformation. At the DoD Enterprise level, single sources of authoritative business data will be created and then, using network technologies, data standards, and enterprise information services (e.g., data hubs), information will be ubiquitous to decision makers at all levels throughout the Department. Similar to the way that the BEA guides the improvement of business practices, the BEA will guide the formation of a net-centric common data framework across the Business Mission Area.

DoD is currently positioning programs to participate in the net-centric environment by helping identify requirements for new initiatives, designating authoritative data sources, and assigning responsibility for developing common services. Some of these services will be made accessible from existing applications and others will be newly developed. Business systems, in turn, must be ready to take advantage of the services that will be offered. As part of DoD's business transformation, some business services have already been developed and implemented, such as Central Contractor Registry. In the future, the Business Mission Area will continue to migrate to a more net-centric approach in developing and delivering solutions to provide Business Capabilities.



Summary

The DoD is undergoing unprecedented business transformation. Success will be achieved through strong and dedicated senior leadership, structured collaboration, and commitment across the Department.

The mission is clear: to transform business operations to achieve improved warfighter support while enabling financial accountability across the Department.

This Transition Plan reflects the spirit and tone of DoD's transformation efforts, and it reflects the Department's commitment to implement the DoD-level and Component-level systems and initiatives that will enable change.

The Enterprise Transition Plan and the Business Enterprise Architecture represent a shared understanding of the world's largest, most complex business operation. Together, they provide a roadmap to transform DoD business processes and supporting systems that will result in direct, measurable benefits to the warfighter and improved stewardship of the nation's resources.

“As we prepare for the future, we must think differently and develop the kinds of forces and capabilities that can adapt quickly to new challenges and to unexpected circumstances.”

Donald Rumsfeld
U.S. Secretary of Defense



Chapter 5:

Component

Transformation Summary

Component Transformation Priorities

Each Component manages its own priorities to improve mission effectiveness and efficiency. Additionally, the Components support the BEPs by transforming their business practices and systems, and complying with business rules and standards identified in the BEPs.

Components have created and will maintain Component transition plans that present the transformation vision and goals for that Component and identify their Component priorities. Just as with the BEPs, Component Transformation Plans document planning information on these priorities.

Components have also identified supporting systems and initiatives and their respective alignment with either BEPs or Component priorities. Each Component has identified non-transformational systems that will be part of the target environment, some of which will require IRB certification.

Additional information on these Component programs is contained in several appendices.

- **Appendix B and C:** Contains the objectives for each program, dates for program milestones, the number of systems migrating to that system and budget information through FY07.
- **Appendix F:** Provides a master list of Business Systems and Initiatives that will be part of the target environment.
- **Appendix G:** Presents system migration diagrams (also known as “fishbone charts”) for the Enterprise and Component Business Systems. This appendix provides a graphical depiction of the System Evolution Description (SV-8).
- **Appendix H:** Shows for each system (called a “target system”) all the legacy systems migrating to it. This appendix provides a tabular summary depiction of the System Evolution Description (SV-8).
- **Appendix I:** Provides funding summary information for systems and initiatives through FY11.
- **Appendix J:** Contains a Gantt Chart that shows system and initiative deployment milestones as well as system migration and retirement milestones.

Figure 5-1 shows systems and initiatives that support Component priorities. The next part of this chapter presents a summary of the Component Transformation Plans that are included in Chapters 6-11.

Figure 5-1: Systems and Initiatives that Support Component Priorities



Army Executive Summary

The Army's primary mission is to provide necessary forces and capabilities to the Combatant Commanders in support of the National Security and Defense Strategies. The Army has more than 300,000 soldiers deployed or forward stationed to support operations in Iraq, Afghanistan, and other regions to deter aggression, while securing the homeland. The Army faces extremely demanding challenges as it strives to rapidly provide soldiers with improved capabilities.

The Army is fighting today while simultaneously preparing for tomorrow. To accomplish the mission, the Army is aggressively restructuring. The Army is transforming from a force designed for contingency operations in the post-Cold War era to a force designed for continuous operations in a new era that presents risks in the form of asymmetric and traditional, potentially catastrophic risks to the nation. As the Army embarks on transforming its warfighting capabilities, it is imperative that the Business Capabilities / Enablers / Processes transform to support the warfighter. Transformation of the Army's Business Capabilities / Enablers / Processes will enable its ability to be more flexible, more rapidly deployable and better able to sustain protracted military campaigns, to include joint and expeditionary operations, required by the 21st century security environment.



Transformation of business, resourcing and acquisition processes promotes the long-term health of the Army. It will free human and financial resources that can be better applied towards accomplishing our warfighting requirements and accelerating other aspects of transformation.

The Army will employ Lean Six Sigma and other industry best practices successfully used by the world's best corporations to provide better value to our increasing responsiveness and decreasing cycle time in all processes and activities. The Army is deploying these same techniques to better identify functions that are no longer relevant, to eliminate non-value added operations and positions, and to focus resources on our required capabilities. This is a transformational process that will be led from the highest levels of the Army. By the end of this program period, the Army will have the infrastructure established to train its entire workforce for their appropriate role. We will take advantage of industry innovation through web-based services and technology, commercial off-the-shelf (COTS) products, outsourcing and partnering. We are also adopting electronic business operations and a portfolio management approach to information technology capabilities and investments, while continuing to follow and model U.S. Government guidelines for competitive sourcing. These reform initiatives will remain congruent with other Department of Defense transformation initiatives.

The Army's business transformation goals are derived from the four key elements of the Transformation Strategy: Relevant, ready landpower to support the Combatant Commanders; Well-trained, equipped soldiers serving as warriors led by adaptive leaders; Quality of life and well-being for our people that match the quality of their service; and Infrastructure to enable the force to fulfill its strategic roles and mission. The Army's business transformation goals are:

- Manning, Readiness, and Well-Being of the Force
- Improving Business Practices / Processes: Paying the Force and Financial Accountability
- Processes to Equip the Force
- Sustaining the Force: Enhance Joint Logistics/Focused Logistics
- Improve Capability for Stability Operations

These goals are also components of the annual Army Campaign Plan (ACP) and the Army Posture Statement (APS) which include: status of the industrial base for military equipment and supplies, Well-Being, manning the force, infrastructure of all Army installations, the ability to equip the force and improve our business processes.

Navy Executive Summary

The Department of the Navy's business transformation vision is to significantly increase the readiness, effectiveness, and availability of warfighting forces by employing business process change to create more effective operations at reduced costs and by exploiting process improvements, technology enhancements, and an effective human capital strategy to assure continued mission superiority.

The Department's business improvement objectives are designed to enable achievement of the Naval Power 21 vision and facilitate *Sea Power 21* and *Marine Corps Strategy 21* implementation:

- Developing and maintaining a secure, seamless, interoperable IM/IT infrastructure
- Creating optimized processes and integrated systems



- Optimizing investments for mission accomplishment
- Transforming applications and data into web-based capabilities to improve effectiveness and gain efficiencies
- Aligning Business Mission Area governance to produce a single, integrated enterprise

Looking to the future, we expect that naval forces will be more widely dispersed than in the past, yet by leveraging technology and innovation they will be fully netted and capable of simultaneous sea control, strike, forcible entry, special operations, sea-based missile defense, strategic deterrence, and maritime interdictions. This broader, more complex mission, coupled with constrained resources, will require us to operate with a smaller number of Sailors and Marines that are better trained, better educated, and more motivated than ever before.

Enhanced sea basing and dispersed logistics will enable us to sustain our forces' warfighting capability and continue American influence as long as necessary, wherever we are called upon to deploy. By becoming a more effective and efficient enterprise and implementing innovative business initiatives, we will free resources for reinvestment in improved warfighting capabilities.

The Department of the Navy's transformation goals are:

- Creating a Seamless Infrastructure
- Creating Optimized Processes and Integrated Systems
- Resource Optimization
- Implementing Web-based Capabilities
- Aligning for Enterprise Transformation

Air Force Executive Summary

The overall mission of the Air Force (AF) is to develop and use air and space power to defend the United States and protect our national interests. The AF organizes, trains, and equips force elements that fly through the air, operate on the ground, and traverse space in order to influence enemy and friendly activities. The concept of expeditionary forces, the long reach of satellites and systems of sensors, a network of airborne and ground-based command and control elements, and mobility, fighter, bomber and attack aircraft integrate to make the vision of Global Vigilance, Reach, and Power a reality.

Business and combat support processes are expected to provide fast, flexible, predictable support to the warfighter. The **AF Operational Support transformation vision** is the creation of capabilities that provide rapid and predictive Operational Support and response through situationally aware Commanders.

The AF Operational Support Modernization **mission** is to:

- Ensure the **seamless integration** of Air Force command and control, combat support and Business Capabilities.
- **Guide, rationalize, coordinate and integrate** existing and future Air Force-wide transformation initiatives into a coherent program.
- Ensure that **consistent methods are employed across the warfighting and support areas.**



Our shared operational support enterprise transformation **goals** are to:

- First, improve warfighter effectiveness by fashioning fast, flexible, agile, horizontally integrated Operational Support processes that enable fast, flexible, agile and lethal combat forces.
- Second, achieve increased efficiencies that will allow Operational Support to return resources toward the recapitalization of the AF weapons systems and infrastructure, return Airmen to core missions, and increase the job satisfaction of the workforce.

The corresponding **strategy** is to:

- **Focus Operational Support on improving Joint warfighter effectiveness** and integrate high value operational threads across domains and across combat and non-combat functions.
- **Set common goals and priorities** across the Operational Support AF enterprise.
- **Re-engineer critical processes** identify and prioritize processes for improvement, and redesign them wherever they fall short of the immediate or long-term expectations
- **Move systems into a modern, information framework.** Leverage existing initiatives of the AF and OSD, synchronize and accelerate them to achieve transformation.
- **Harvest resources to complete Operational Support transformation** and support modernization of Air Force and Joint capabilities.

We are pursuing the following priorities to achieve OS transformation:

- 1) Global synchronization of supply chain (people, materiel, installations) and integration with the Operations community
- 2) Better merge mission profile, supplies and equipment, and people to strengthen total weapons systems / force management
- 3) Focus on real-time command and control, decision support and predictive analysis
- 4) Leverage spend activities and more effectively use industrial partners
- 5) Focus on delivery of Commanders' resource management capabilities versus low value-added transactional activity
- 6) Re-engineer, share service organizations, standardize processes, regionalize support and deliver services globally
- 7) Treat people as the most important resource (quality of life, quality of workplace, family housing)
- 8) Change culture to optimize performance of enterprise (align goals and metrics to focus on enterprise performance, continuous improvement.)
- 9) Instill more discipline and credibility in development and delivery of capabilities



DLA Executive Summary

The Defense Logistic Agency's (DLA's) vision for the future is to dramatically improve warfighter support at a reduced cost through business process reengineering, workforce development, technology transformation, and organizational change.

The agency's transformation goal is to leave behind their legacy business model and organizational structures and transform to become:

- A robust customer-focused agency with world-class military service and warfighter partnering capabilities
- A manager and integrator of the supply chains essential to the military readiness with world-class commercial supplier partnering capabilities; and
- A single, fully integrated enterprise

Great care has been taken to ensure DLA's transformation is aligned with the direction and initiatives outlined in DoD's Transformation Planning Guidance, Joint Vision 2020, the DoD Future Logistics Enterprise, and the DoD Business Enterprise Architecture. Further, DLA's initiatives support future requirements of the warfighter by directly linking to the seven challenge areas and supporting logistics capabilities outlined in the Focused Logistics Joint Functional Concept document.

This transformation will fundamentally alter DLA's core business model, supporting processes, and systems architecture. At the core business model level, customer focus, supply chain management, and seamless partnering constitute transformation. A key contribution to this end state is organizational alignment. The agency has taken the strategic steps required to establish a single, tightly integrated organizational structure where DLA is, and is perceived to be, one enterprise.

The following DLA priorities have been identified to meet these transformational goals:

- **Customers:** *Provide responsive, integrated, best value supplies and services to our customers.* As a Combat Support Agency, the DLA mission is to provide logistics support to the warfighter. This priority communicates how DLA will improve customer service and the level of service we have targeted to deliver. DLA aims for logistics excellence.
- **Internal Processes:** *Develop and institutionalize the internal processes required to deliver value-added logistics solutions to the warfighter.* This priority results in strategies for improved market knowledge, customer and supplier accessibility, and collaboration. Supply chain management practices provide the set of tools to manage our internal processes. Our focus on the objectives for supply chain management and information technology (IT) investments performance provide the supporting performance targets to achieve this goal.
- **Workforce:** *Ensure our workforce is enabled and empowered to deliver and sustain logistics excellence.* This priority results in human capital management strategies which model new workplace practices based on the new business



model, addressing any skills gaps, quantitatively and qualitatively measuring the DLA climate and culture to ensure world-class performance, and linking the other transformational initiatives to this human capital transformation.

- **DLA Resources:** *Manage DLA resources for best customer value.* Focusing on the financial priority will sustain the strong financial discipline required to ensure effective financial planning and management in DLA. This priority allows DLA to provide best value to DLA customers. Accurate forecasts strengthen DLA's ability to project and support requirements and plan for the resources needed. Better supply chain cost decisions result in better management of our resources. Compliance with the provisions of the Chief Financial Officer Act ensures that the financial management systems produce relevant, reliable, and timely information.

USTRANSCOM Executive Summary

USTRANSCOM is the Combatant Command (COCOM) responsible for creating and implementing world-class global deployment and distribution solutions in support of the National Security Strategy. To accomplish this, USTRANSCOM's transformational vision is to change its orientation from a command that provides strategic transportation, to a command that develops and employs End-to-End (E2E) global transportation of forces and materiel distribution solutions to improve joint distribution capabilities for regional Combatant Commands and functional Component warfighters.

Specific transformation goals of USTRANSCOM are:

- Support the operational effectiveness of Combatant Commands by deploying command and control capability for unified theater deployment and distribution and by providing E2E Total Asset Visibility (TAV) and In Transit Visibility (ITV)
- Improve decision cycle time by providing IT support that turns real-time data into actionable information
- Promote across the Department of Defense (DoD), financial management processes and solutions that are Chief Financial Officer (CFO) Act compliant and improve financial management visibility
- Operational flexibility in E2E, intermodal distribution through improved and standardized resources, processes, and systems

The focus of USTRANSCOM transformation IT efforts is on developing a seamless process that will provide better visibility of supplies from their point of production to their ultimate destination of the warfighters in the field. USTRANSCOM is continuing to work with its national partners (Office of the Secretary of Defense organizations, Joint Staff, Combatant Commands, Services, Defense Agencies, and other affected organizations) on priorities that support the above transformation goals.



DFAS Executive Summary

The transformation vision of the Defense Finance and Accounting Service (DFAS) is to better enable the warfighter through excellence in finance and accounting operations—where excellence is achieved by pledging dependable, accurate and reliable service at the lowest cost.

The DFAS transformation strategy is aligned with the DoD's transformation goals and objectives and with the President's Management Agenda. DFAS is transforming the finance and accounting business—modernizing and improving financial management, reducing personnel and operating costs while providing agile responses to the dynamic DoD environment, such as delivering military pay entitlement required by the Global War on Terror. The DFAS transformation strategy leverages and integrates competitive sourcing initiatives, Base Realignment and Closure opportunities to reduce excess capacity, performance-based management through the National Security Personnel System, and state-of-the-art technology. The ultimate objective of the organization is to optimize performance and maintain the downward pressure on cost.

DFAS's transformation goal is to produce higher quality products and services at lower costs, allowing for more dollars to be directly applied to the DoD warfighting mission. To achieve this goal DFAS will:

- Deliver error-free pay services on time. Pay issues impact people across the organization, but most importantly those who take on great personal risks and hardships in defense of the nation. A failure in our ability to fully satisfy this basic capability risks adversely affecting the morale and readiness of our military forces at a time when we demand more from them.
- Provide business intelligence that supports better operational resource allocation and decision making. DFAS must provide information that arrives in time to make a difference and in a format and level of detail that can be used easily and effectively.
- Establish and maintain a partnership with our customers to anticipate needs and deploy integrated solutions that enhance financial management capabilities across the DoD Enterprise.
- Attract, develop and retain a first-rate work force with the skills, agility and motivation necessary to achieve the DFAS mission. DFAS people will ultimately determine the agency's success and our ability to serve the men and women who defend America.

DFAS plans to accelerate its rate of transformation in order to offer best value to the warfighter, our customers, and the American taxpayer. To accomplish DFAS's transformation goal, the following three priorities have been identified:

- Reduce the number of urgent military pay problems
- Improve financial performance by automating manual processes and eliminating redundancies
- Expand Electronic Commerce (EC) Capabilities



Chapter 6:

Department of the Army

Department of the Army Transformation Plan

Today, we are an expeditionary Army supporting our nation in the Global War on Terrorism. Our Army is in the midst of massive transformation to create a more agile, deployable, and lethal force. Business transformation is a critical part of this transformation.

Transformation Vision and Mission

The Army is in the process of implementing the most dramatic changes to the design of our operating forces in 50 years. We are transforming our force structure to realize the Army Vision: “*Relevant, and Ready Landpower in Service to the Nation.*” To this end, we are developing soldiers, leaders, and modular forces to ensure the Army remains the preeminent land power on earth and the ultimate instrument of national resolve. The Army’s primary mission is to provide necessary forces and capabilities to the Combatant Commanders in support of the National Security and Defense Strategies. The Army has more than 300,000 soldiers deployed or forward stationed to support operations in Iraq, Afghanistan, and other regions to deter aggression, while also securing the homeland. The Army faces extremely demanding challenges as it strives to rapidly provide soldiers with improved capabilities.

The Army is fighting today while simultaneously preparing for tomorrow. To accomplish its many missions, the Army is aggressively restructuring. The Army is transforming from a force designed for contingency operations in the post–Cold War era to a force designed for continuous operations in a new era that presents risks in the form of asymmetric and traditional, potentially catastrophic risks to the nation. As the Army embarks on transforming its warfighting capabilities, it is imperative that the Business Capabilities/Enablers/Processes transform to support the warfighter. Transformation of the Army’s Business Capabilities/Enablers/Processes will enable the Army to be more flexible, more rapidly deployable and better able to sustain protracted military campaigns, to include joint and expeditionary operations, required by the 21st century security environment.

The Army’s base budget supports force generation and sustainment operations, while the supplemental budget request supports wartime efforts. The combination of these spending measures is needed to enable the Army to:

- Recruit and retain the All-Volunteer Force, and their families, by enabling the establishment of equitable rotation plans and improving quality-of-life programs;

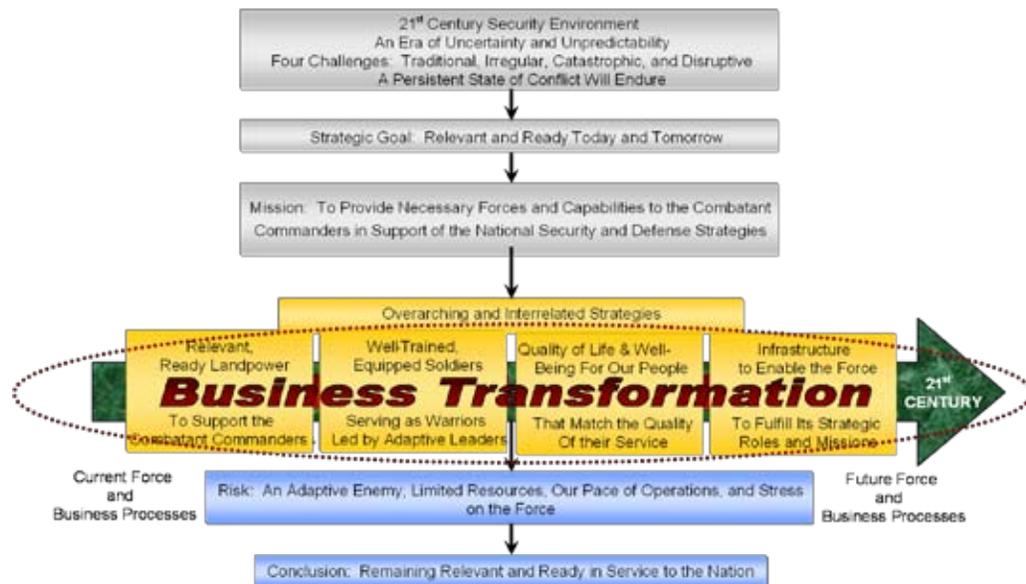
- Generate and sustain a force that is properly manned, trained and led, in order to prevail in the Global War on Terror, while sustaining other global commitments;
- Enhance soldiers' ability to fight by rapidly spiraling promising technologies that are ready now into the Current Force;
- Reset the force by repairing and recapitalizing equipment that is aging rapidly - far faster than projected - due to sustained combat operations in severe environmental conditions.

Transformation Strategy

Transformation of our business, resourcing and acquisition processes promotes the long-term health of the Army. It will free human and financial resources that can be better applied towards accomplishing our warfighting requirements and accelerating other aspects of transformation.

The Army will employ Lean Six Sigma and other industry best practices successfully used by the world's best corporations to provide better value to our increasing responsiveness and decreasing cycle time in all processes and activities. The Army is deploying these same techniques to better identify functions that are no longer relevant, to eliminate non-value added operations and positions, and to focus resources on our required capabilities. This is a transformational process that will be led from the highest levels of the Army. By the end of this program period, the Army will have the infrastructure established to train its entire workforce for their appropriate role. We will take advantage of industry innovation through web-based services and technology, commercial off-the-shelf (COTS) products, outsourcing and partnering. We are also adopting electronic business operations and a portfolio management approach to information technology capabilities and investments, while continuing to follow and model U.S. Government guidelines for competitive sourcing. These reform initiatives will remain congruent with other Department of Defense transformation initiatives.

Figure 6-1: The Army's Strategic Goal, Mission, and Interrelated Strategies



Business Transformation Goals

The Army's business transformation goals as outlined below are derived from the four key elements of the Transformation Strategy (see Figure 6-1). These goals are also components of the annual Army Campaign Plan (ACP) and the Army Posture Statement (APS) which include: status of the industrial base for military equipment and supplies, well-being, manning the force, infrastructure of all Army installations, the ability to equip the force and improve our business processes.

Manning, Readiness, and Well-being of the Force

To support the joint, expeditionary, modular Army, the Army's Human Resources Management (HRM) Domain is creating a comprehensive, flexible, and integrated capability to enable the manning, readiness, and well-being of the Army through transformed business practices and systems. As part of this transformation, the Army is committed to implementing a capability that integrates personnel and pay management for active and reserve soldiers. We are also developing a capability that will provide an integration layer allowing Army systems to communicate seamlessly. Additionally the integration layer will support Army efforts to reduce the total number of systems through consolidation of critical functions and establishment of service oriented architecture. In addition to these Business Capabilities above, there are a number of current systems that provide critical HR capabilities necessary to support today's warfighting mission. The Army plans to leverage any capability provided by the DoD Enterprise, now or in the future, in order to effectively build upon existing capabilities. The HRM Domain will deliver the following transformational capabilities:

- The Distributed Learning System (DLS) is a major automated information system (ACAT 1AC) that uses information technology to streamline training processes, automate training management functions, and deliver training using electronic means to soldiers at home or deployed. DLS supports readiness by enhancing institutional and individual training in all Army Components (Active, Army National Guard, Army Reserve, and Department of the Army Civilians (DAC)). The system provides both near and long-term infrastructure to enhance training particularly in the areas of Military Occupational Skill Qualification (MOSQ) and reclassification. It is an integral component of the DoD Advanced Distributed Learning Initiative, and Strategic Plan for Transforming DoD Training, which calls for the full exploitation of technologies to support quality education and training. DLS supports the E-Government strategy by using the Web to provide training materials, by enabling the intra-agency sharing of training data, and by adopting commercial practices and products to reduce operating costs. DLS supports the President's Management Agenda by making use of distributed learning to leverage scarce training funds, provide greater agency access to training materials, and facilitating the Strategic Management of Human Capital.
- The US Military Entrance Processing Command (USMEPCOM) Integrated Resource Systems (MIRS) provide the automation and communications capability for USMEPCOM to meet its peacetime, mobilization, and wartime military manpower accession mission. This system automates the business processes of processing new service members into the Armed Forces by managing aptitude tests, medical examinations, and administrative matters. MIRS has



key interfaces with other Service recruiting systems, Defense Manpower Data Center (DMDC), and the Selective Service System.

- The Electronic Military Personnel Office (eMILPO), as part of the Army's Human Resource System, is a web-based, multi-tiered application, implemented on the DoD Non-Classified IP Router Network (NIPRNet), and accessed via a hyperlink from the Army Knowledge Online (AKO) portal. eMILPO provides the Army with a reliable, timely, and efficient mechanism for performing numerous personnel actions and managing strength accountability. The application is vital at this time in determining the strength and capability of the Army and subordinate commands. It provides improved data accuracy and a more intuitive web-based approach resulting in easier data entry and user satisfaction.
- The Reserve Component Automation System (RCAS) is an automated information system used by The Army National Guard (ARNG) and the US Army Reserve (USAR) and accomplishes the day-to-day administrative tasks providing timely and accurate information critical to mobilization planning and execution. The system is used by units in CONUS and OCONUS and includes both Commercial Off the Shelf (COTS) and Government Off the Shelf (GOTS) hardware and software. RCAS is enabling transformation through improvements to Retirement Points Accounting Management, Unit Personnel Management Systems, Command Management Systems, Integrated Data Management, the UPS Military Post Office and Force Authorization Management.

Improve Business Practices / Processes: Paying the Force and Financial Accountability

The Army is developing the Single Army Financial Enterprise (SAFE) to integrate business operating systems and supporting sub-systems, which support the planning, programming, budgeting and execution business processes. The SAFE will support the Army's business transformation by integrating planning, programming, budgeting and execution systems and data, while capitalizing on the latest commercial off-the-shelf technology and providing web-enabled electronic business operations/capabilities. In addition, the SAFE provides an architectural framework which supports the Army's planning, programming, budgeting and execution phases of the DoD Planning, Programming, Budgeting, and Execution (PPBE) process, culminating in the annual submission of the Army's portion of the President's Budget, through Chief Financial Officer (CFO) compliant accounting and reporting operations.

The major transformational element of the SAFE is the implementation of the General Fund Enterprise Business System (GFEBS). GFEBS will provide capabilities for accurate, reliable, timely and consistent financial information: resulting in clean audits and improved resource execution. GFEBS is a new transformation system designed to meet the requirements of the CFO Act by employing CFO-compliant general fund finance and accounting capability that will support the DoD with accurate, reliable, and timely financial information, in peacetime and in war. GFEBS will serve as the Army's financial backbone, capturing general ledger data into a single system. GFEBS will be the SAFE system of record for the entire Army.

Another transformational element of the SAFE is the modernization efforts of the Army's HQDA integrated program budget business operating systems, which represent the planning, programming and budgeting portion of the Single Army Financial Enterprise (SAFE)



architecture. Modernization of these efforts ensures integration of Army program and budget data, addressing the long-term goals of the Army, Department of Defense, and the President's Management Agenda for budget performance integration, while satisfying requirements imposed by Title 10 for submission of a budget and Future Years Defense Plan.

Processes to Equip the Force

The Acquisition Domain is modernizing its Business Capabilities through a comprehensive transition from over 60 stovepiped systems into two comprehensive business systems, Future Business System (FBS) and Future Combat System Advanced Collaborative Environment (FCS ACE). Existing enterprise capabilities will be transitioned under the FBS program on a planned schedule following the FBS Milestone (MS) B. The Acquisition Domain will deliver the following transformational capabilities:

The Future Business System (FBS), formerly known as the Advanced Collaboration Environment (ACE), will be a suite of net-centric Business Capabilities that enable the business of acquisition. It will enable the Army Acquisition Community to evolve their Business processes to execute acquisition transactions in an environment that provides seamless access to templates, data sets, requirements, guidance, schedules, forms, and the myriad of information resources that will facilitate best practices. It includes the Army Acquisition Business System Neck-Down Initiative (AANDI), which focuses on reducing the current number of Army Acquisition Business systems that supports the Army Acquisition Domain. The results of this initiative will be a first step in the development of the future enterprise system. The FBS system is in the concept formulation stage and, when formalized and approved, will become the umbrella business system program that encompasses all enterprise systems that support the business of acquisition. The five systems listed below are being developed as enterprise capabilities that will merge into the FBS program at the appropriate time.

- The Army Contracting Business Intelligence System (ACBIS) uses secure web technology to collect contract data and information from receipt of requirements to contract closeout. ACBIS assesses data necessary to analyze contract workload, budget and personnel trends to include benchmarking and activities performance to provide insight into Army Contracting activities to improve processes and reduce operating and purchasing costs. This system will transition under the FBS program following FBS MS B.
- The Acquisition Information Management (AIM) service is comprised of an integrated web-based system-of-systems sharing information/data across the Acquisition Domain sub-domains (Program Management, Financial Management, Procurement and Contracting, and Acquisition Logistics). AIM's information technology is aligned with oversight, statutory and regulatory reporting mandated for all acquisition programs. The AIM service significantly reduces the level of manual effort needed to perform administrative program management duties and acquisition chain monitoring and reporting of programmatic information/data. Available capabilities assist managers to proactively manage assigned programs, provide an authoritative information/data source (reported acquisition programs specifics, management metrics (Cost, Schedule, and Performance) information), and share common data. This sharing of DoD-compliant common data is available internally (between applications within this family-of-systems) and externally. The core



of the AIM Service is a relational database, which allows the managers of each program to retain ownership of programmatic data while providing access to Army and DoD Leadership. This system will transition under the FBS program following FBS MS B.

- The Science and Technology (S&T) Enterprise Management (STEM) system will enable management of the Army S&T Part of the Product Lifecycle—including planning, programming, budgeting, and execution of all S&T products and Research, Development & Engineering (RD&E) services—as a portfolio. It will better enable Deputy Assistant Secretary (DAS) Research and Technology (R&T), U.S. Army Training and Doctrine Command (TRADOC) Futures Center, U.S. Army Research, Development and Engineering Command (RDECOM), Army Research Institute (ARI), Army Medical Research and Materiel Command (MRMC), Army Corps of Engineers (COE), Army Space and Missile Defense Command (SMDC), and Army Test and Evaluation Command (ATEC) to fulfill their mission in the management of the Army S&T; and it will enable the community to collaborate to improve S&T community inter-relationships, and speed up S&T maturation. This system will transition under the FBS program following FBS MS B.
- The Virtual InSight (VIS) system is being developed to improve the Milestone Decision Review process and to reduce the amount of necessary temporary duty (TDY) travel associated with major programs going through these reviews. This system will transition under the FBS program following FBS MS B.
- The Army Test and Evaluation Command (ATEC) Versatile Information System Integrated Online Nationwide (VISION) will provide an integrated telemetry and data repository environment to support test event documentation and decisions. This system will transition under the FBS program following FBS MS B.

The Future Combat Systems Advanced Collaborative Environment (FCS ACE) will serve as the primary means of creating, sharing, reporting, collecting, recording, accessing, and approving program information between the FCS Lead System Integrator (LSI), authorized FCS major/critical subcontractors, and authorized U.S. Government personnel connected with the FCS program. The FCS ACE system is the existing system providing comprehensive life cycle support to the FCS program and its suite of complementary programs. Due to the criticality of the FCS system, current plans do not include the migration of the FCS ACE into the FBS program. This will be continually reconsidered as the FBS program fields its enterprise capabilities.

Sustaining the Force: Enhance Joint Logistics/Focused Logistics

The Army Logistics Enterprise Vision is a digital environment that builds, sustains, and generates warfighting capability through a fully integrated logistics enterprise based on collaborative planning, knowledge management, and best business practices. The Army is enabling this vision through two major initiatives: development of the Single Army Logistics Enterprise (SALE) and alignment of Army distribution architectures with Joint distribution processes. SALE projects include: (1) immediate enabling changes to current systems involved



in the Global War on Terror (GWOT); (2) the Global Combat Support System-Army (Field/Tactical) (GCSS-A); (3) GCSS-A's component Product Lifecycle Management Plus (PLM+); and (4) concurrent fielding of the Logistics Modernization Program (LMP).

- SALE Increment 1 provides immediate capability improvements to meet warfighting needs in support of the GWOT including net-centric and net-ready changes to legacy systems that mitigate warfighter-identified critical gaps while providing a bridge to GCSS-A. These include:
 - Satellite data communications (CSS SATCOM) for logisticians to speed the accurate ordering and delivery of materiel to forces in combat.
 - Movement Tracking Systems (MTS) to enable logistics tracking and force protection communications within convoys sustaining the force.
 - Standard Army Maintenance System-Enhanced (SAMS-E) to eliminate five varieties of ground maintenance systems and enable simplified and networked maintenance processes.
 - Unit Level Logistics System - Aviation (ULLS-A) to eliminate four varieties of aviation maintenance systems and enable simplified and networked maintenance processes.
 - Property Book User System-Enhanced (PBUSE) to provide real-time property management and accountability to Chief Financial Officer Act level of accuracy.
 - The integration of Radio Frequency Identification (RFID) technology into our supply processes to enhance visibility of materiel in the supply chain.
 - Battle Command Sustainment Support System (BCS3) to integrate sustainment and distribution information into Army Battle Command System (ABCS), Joint Command and Control (JC2) and their Common Operating Picture (COP).
- GCSS-A is the tactical and operational level SALE initiative. GCSS-Army consists of two Components, Field/Tactical (F/T) and Product Lifecycle Management Plus (PLM+). GCSS-A (F/T) will provide the Army's Combat Support/Combat Service Support (CS/CSS) warfighter with a seamless flow of timely, accurate, accessible and secure information. It will also allow the Army to reengineer tactical logistics business processes in accordance with commercial best business practices. At the operational level, PLM+ will be the hub providing enterprise level data management, SALE-related product data, and will act as the data warehouse for the exchange of Tactical and Strategic information with Army Battle Command and joint systems. GCSS-Army will allow the Army to retire 11 existing automated systems supporting tactical logistics.
- Logistics Modernization Program (LMP) is the strategic level SALE initiative. LMP provides the Army capability to manage national logistics processes and materiel. LMP provides a robust suite of integrated logistics management capabilities to include demand and supply planning for end items, spares, and munitions; repair, re-manufacture and overhaul of major and secondary items and ammunition; and maintenance capacity requirements planning tools. It



also enables working capital fund finance and accounting. LMP allows the Army to retire the Commodity Command Standard System (CCSS) and Standard Depot System (SDS), as well as the Headquarters, Army Materiel Command System (HAS), and the supporting financial systems that operated under the Defense Financial Accounting Service (DFAS).

It is critical to ensure our information systems are joint capable and fully integrated with the initiatives of the joint Distribution Process Owner (DPO). The formal alignment of distribution architectures is achieved through the alignments of SALE, Transportation Coordinators' Automated Information for Movement System II (TC-AIMS II), and associated distribution systems.

- **Aligning the SALE architecture and Army DPO initiatives with Joint logistics architectures:** the focus of this alignment is to provide an integrated transportation/distribution information system architecture that effectively supports both Army and Joint operations, and enables End-to-End (E2E) deployment and distribution execution. We will provide a similar look and feel in user interface, a high level of seamless integration across the Defense Transportation System (DTS), expeditionary support allowing disconnected use, and sharing of our master data with joint services and processes wherever possible. In addition to direct alignment efforts with the DPO, the Army will support the DPO in concept and requirements development for Single Operating Environment for Distribution Enterprise (SOEDE) and ensure SALE alignment with the DTS.
- **Transportation Coordinators' Automated Information for Movement System II (TC-AIMS II):** Aligned to the SALE, TC-AIMS II is a joint system that automates the processes of planning, organizing, coordinating, and controlling unit-related deployments, sustainment, day-to-day Installation Transportation Officer/Transportation Management Officer (ITO/TMO) operations, redeployment, and retrograde operations in support of the DTS. It will interface with installation, unit and depot-level supply systems, the Global Transportation Network (GTN), the Joint Operational Planning and Execution System (JOPES) through the use of the Joint Force Requirements Generator II (JFRG II), and will be capable of supporting both peacetime and wartime movements. TC-AIMS II also produces movement documentation and unit move information.

Improve Capability for Stability Operations

The Army Installation & Environment (I&E) domain transformation plan consists of a series of tasks designed to align the business processes and support systems used to perform Installation Management, Facilities Management, and Environmental Programs, to a more efficient and integrated suite of systems. The transformation plan will align with DoD direction for common and less redundant processes, supported by systems that use few data stores, common data elements, and standard interfaces to share data between systems. Where possible, commercial off-the-shelf (COTS) products will be used to minimize the cost of in house development.

The transformation plan begins with the development of current and future enterprise architecture (EA), in conjunction with the establishment of a baseline of existing business processes and systems. Once the current environment is understood and the target environment is known, a review of existing processes and systems will be undertaken to reduce redundant and



stovepiped systems. This has already begun in the area of integrated Geospatial Information Systems (GIS) program, where data gathering on the various; disparate, non-integrated systems currently used for installation and environmental support with a goal of migration to a common set of interoperable GIS systems and data stores. A similar effort is underway in the Hazardous Material Management program through the work of the Army Environmental Center's (AEC) work with the Logistics domain to consolidate a set of individual systems into the Single Army Logistics Enterprise (SALE) under the control of the Army Logistics Domain. As additional areas for consolidation are identified, programs will be put in place to remove obsolete systems and reduce duplication of data and processes.

The Army I&E domain transformation plan will work within the bounds and under the direction of Real Property Support architecture and transition plan to ensure the appropriate sharing and reporting of data between Army, DoD and other Components. This has already begun through program planning to incorporate the DoD Real Property Inventory Requirement (RPIR) standards into all real property accounting and management systems. The transformation plan will also focus on enabling the Army Modularity concept and Common Levels of Service approach, while supporting the realignment of Army installations as a result of the Base Realignment and Closure (BRAC) effort. Updates and additional specific milestones will be developed and reported through the Army I&E Domain Governance Board and in concert with Army and DoD business and architecture guidance.

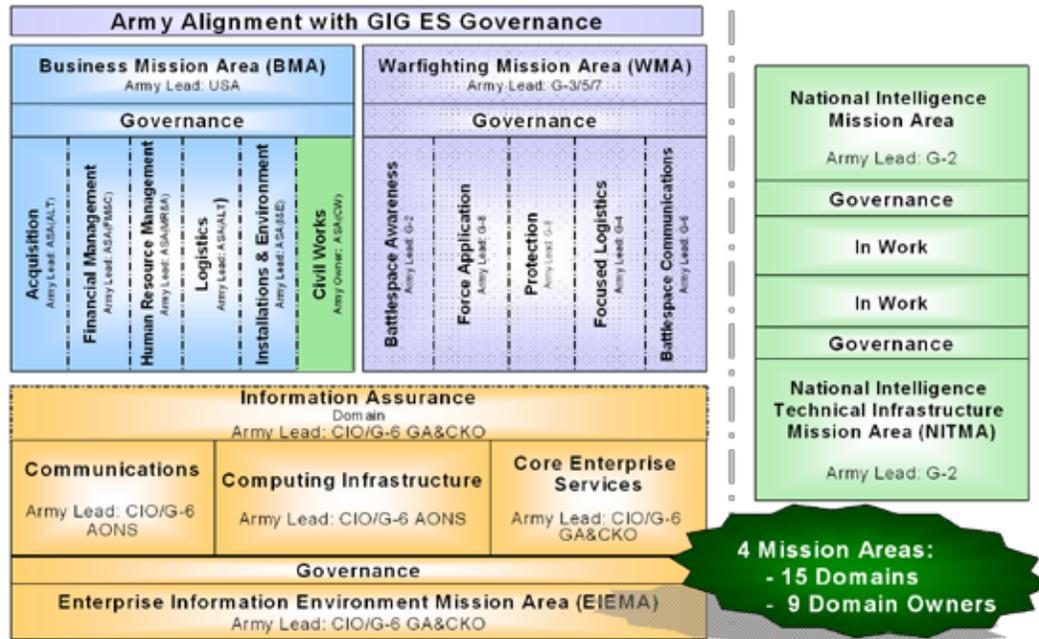
Army Portfolio Management (PfM) Governance Structure

The Army is implementing a new PfM Governance Structure to achieve the aforementioned goals, strategy, and mission. The institutional activities that generate relevant and ready forces are the “business” end of our Army. The Institutional Army represents about one-third of the Army in the form of Active, National Guard, Army Reserve units, Department of the Army civilians and contractors. It includes Headquarters, Department of the Army; Training and Doctrine Command; Forces Command; Army Medical Command; Army Materiel Command; Army Corps of Engineers and numerous other organizations. In order to provide responsive, innovative, and efficient institutional support, we must dedicate ourselves to “transform the way we do business.” To achieve this goal, improve effectiveness, and identify efficiencies that will free human capital and financial resources to better support our operational requirements, we can learn much from civilian Lean Six Sigma business practices. These practices will achieve high level continuous measurable improvements that will help the Army face the challenges of an ambiguous, uncertain international security environment.

Figure 6-2 below identifies and maps Army functional proponents to DoD Core Business Mission Areas. The Army Mission Area Leads and Domain Leads align with the four Global Information Grid (GIG) Enterprise Services (ES) Mission Areas (MA). The MA Leads and Domain Leads are responsible for managing capabilities-based Information Technology (IT) investments. Cross-domain issues will be resolved by MA Leads. Issues between MAs that cannot be resolved at that level will be elevated to the Army's Senior Review Group (SRG) for resolution. The SRG serves as the Army's overarching governance body for IT Portfolio investment integration decisions across. The SRG is Co-Chaired by the Under Secretary of The Army and Vice Chief of Staff.



Figure 6-2: Army Portfolio Management Governance Structure



The Army’s Capabilities-Based Information Technology Portfolio Management (PfM) Process

The Army’s PfM process defines policy and assigns responsibilities for the Mission Areas and their Domains in the management of information technology (IT) investments as portfolios. The Army PfM process will ensure that IT investments are capability-based through the analysis of their linkage to strategic goals, integrated architectures, risk tolerance levels, and potential for increased efficiencies through elimination/consolidation of redundant or outdated capabilities, outcome goals, and technical performance.

The Army is institutionalizing a standard PfM process for all Army Mission Areas and Domains that is compliant with, and supportive of, DoD Enterprise-wide force transformation. The Secretary of the Army and the Chief of Staff, Army, have provided guidance directing the Army to:

- Align Army Information Technology (IT) investments to support current operations and the future force.
- Eliminate Army IT capabilities/systems that have marginal benefit to the warfighter. Identify specific Mission Area /Domain IT capabilities/systems to be sustained and integrated.
- Specify and assign Army Mission Areas/Domain Lead responsibilities for IT Investment decisions to support the Army’s strategic goals, mission, and interrelated strategies.
- Reduce redundant and stovepiped Army IT investments.



Army's IT PfM processes are critical to the Army's Transformation. A coordinated Army-wide IT PfM process is essential to the development of an IT funding strategy which reinforces Army strategic direction and transformation efforts. The need to analyze competing capabilities by a common set of criteria, select those which provide the best solution to providing a necessary capability, ensure through a series of control measures that the IT capability being pursued is not redundant and capable of operating within the network. Performance will be evaluated through common performance measures ensuring investments support the Army Enterprise transformation and offer the best possible option for expenditure of scarce resources to achieve maximum effect in supporting the warfighter. This coordinated effort will be undertaken horizontally and vertically across the Army, cutting across functional and warfighting capability requirements, finding synergistic solutions that support net-centric operations and maximizing efficiencies as we transform an IT enterprise to support our Army's modular, joint and expeditionary philosophy.

Using Enterprise Architecture to Inform Decisions and Drive Transformation

The Army realizes that transforming the information infrastructure of the Army requires the development of a well defined end-state that includes detailed descriptions of the capabilities required to support continuously improving and rapidly adaptable mission process threads (a.k.a. "business processes") and a plan for implementing and optimizing the manner in which those capabilities are delivered. The Army has developed, and is continuing to further refine and improve, a "To-Be" Army Enterprise Architecture for this purpose.

The Army's Business Enterprise Architecture is, and must be, a federated architecture which is integrally aligned to both the Army warfighter Enterprise Architecture and the DoD Business Enterprise Architecture.

To this end, the Army is currently publishing the FY-05 version of the Army BEA and is already working on the FY-06 version which will continue to add details with respect to required capabilities, capability delivery mechanisms, interaction with joint and other Service activities, and transformation of the business information infrastructure to support modular, Brigade Combat Team (BCT) focused forces throughout the entire spectrum of warfare with a reduced in-theater Combat Service Support (CSS) IT infrastructure. This architecture will be used to optimize the Army's business information infrastructure to reduce not only IT Investment costs, but more importantly, to increase and enhance the operational efficiency and cost-effectiveness of Army force sustainment activities both in-theater and in garrison.

Army Business Enterprise Architecture (BEA) efforts, like all Army Transformation efforts, are being undertaken with the overarching goal of enabling the Army to fight and win the nation's wars more effectively and efficiently. Accordingly, for the Army, the Business Mission Area does not feed into the Warfighting Mission Area, but rather is fully integrated with it.

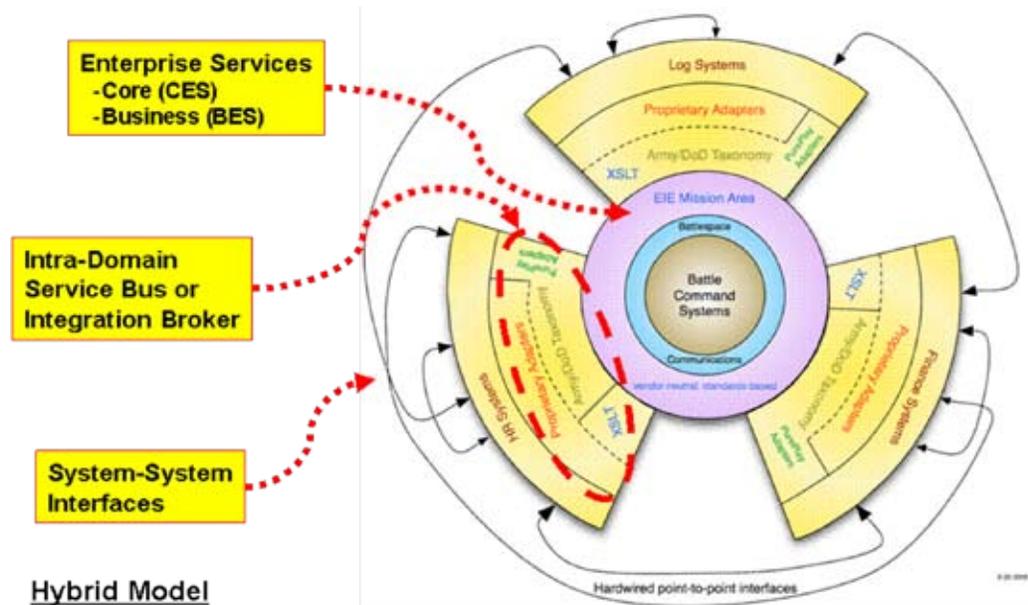
Joint interoperability is one of the critical desired outcomes that the Army anticipates its enterprise architecture efforts to help drive. The Army approach for using enterprise architectures is based on the approaches being taken by commercial organizations, such as General Motors and Corning, who have similar infrastructure optimization and interoperability challenges.

The Army's strategy, depicted below in Figure 6-3, is to develop and build to a hybrid, services-oriented architecture which leverages open-standards, XML-based data integration for common enterprise services and data interoperability as described in the Net-Centric Operations & Warfare (NCOW) Reference Model and DoD Net-Centric Data Strategy. This hybrid approach enables us



to achieve data interoperability while leveraging Net-Centric Core Enterprise Services (NCES) while at the same time continuing to take advantage of the economic benefits provided by the judicious use of commercial off-the-shelf (COTS) applications for high-volume, transaction driven processes and other places where COTS can provide operational efficiencies and economic advantage.

Figure 6-3: Hybrid Service Oriented Architecture



Hybrid Model

- Enterprise Services provide Interoperability for Common Requirements
- System-System Interfaces used where more effective

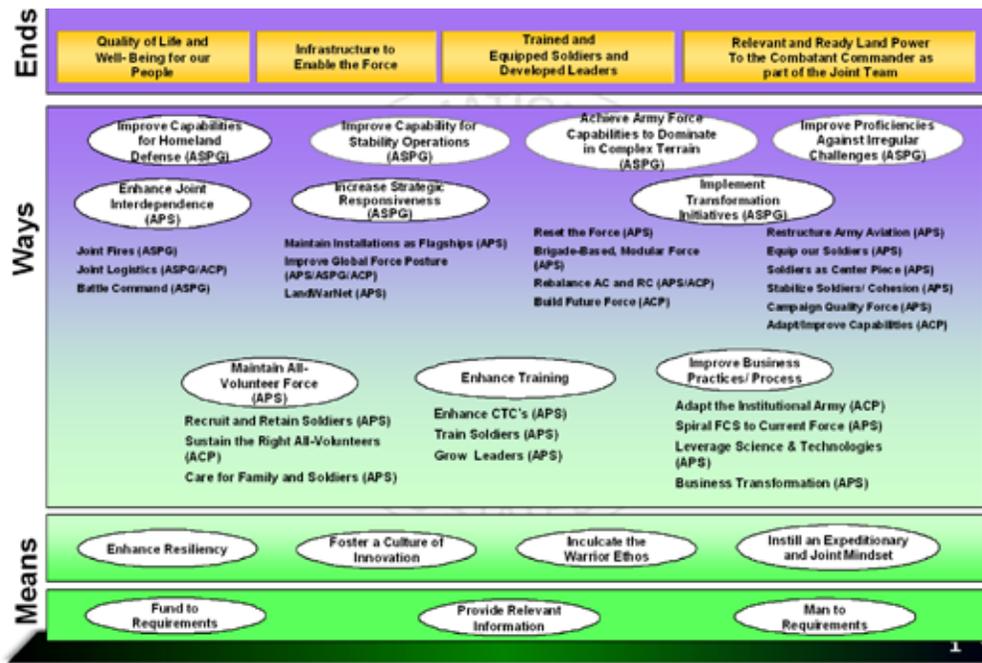
Another architecture activity supporting the Army business transformation is the integration of the Army Business Capabilities/enablers into the Army’s Central Technical Support Facility, a test center that ensures end-to-end process integration and system interoperability. This will facilitate critical cross-program development, integration, and interoperability within the Business Mission Area communities as well as its interfaces and interoperability with the Intelligence, warfighter and Enterprise Information Environment Mission Areas.

Army Balanced Scorecard – Measuring Transformation Progress

Figure 6-4 below depicts the Army use of the Balanced Scorecard methodology to communicate and align the Army’s mission, vision, strategic objectives and priorities. The Strategic Readiness System (SRS) captures information on the key elements/ends of the Army business transformation to include installations, infrastructure, Well-Being, the nation’s industrial base, sustainment, and readiness. The Army is in the process of applying the SRS to the Army business transformation to measure progress.



Figure 6-4: Metrics–Strategic Readiness System (SRS)



The Army Balanced Scorecard is the metrics focal point for SRS. The Army Scorecard identifies the metrics -- quantifiable success measurements -- of each readiness area. Those areas are tied to the annual Army Campaign Plan (ACP) and the Army Posture Statement (APS) which include: status of the industrial base for military equipment and supplies, Well-Being, infrastructure of all Army installations and status of federal, state and local transportation nodes in reference to their abilities to support deployments. Our business transformation activities are aligned with the Army's Balanced Scorecard.

Component Business Transformation Initiatives

Table 6-1 identifies transformation systems and initiatives and identifies supported priorities and Business Capabilities.

Table 6-1: System Transformation Summary

System / Initiative	Domain	Business Capabilities Provided
Global Combat Support System – Army (GCSS-A)	Logistics	It will implement the field ERP component of a Single Army Logistics Enterprise (SALE) to execute end-to-end logistics and integrate/interface with applicable C2 and Joint systems; provide the Army's Combat Support/Combat Service Support (CS/CSS) warfighter with a seamless flow of timely, accurate, accessible and secure information management that gives combat forces a decisive edge; implement best business practices to streamline supply, accountability, maintenance, distribution and reporting procedures in support of the future force transition path of the Army Campaign Plan.



System / Initiative	Domain	Business Capabilities Provided
Logistics Modernization Program (LMP)	Logistics	Provides an integrated logistics management capability that enables total asset visibility, enhanced decision support capability, and a collaborative planning environment; provides a single source of data, full integration with financial management, improved forecasting accuracy, and a near real-time access to Enterprise-wide information.
Transportation Coordinators Automated Information for Movements System II (TC-AIMS II)	Logistics	Modernizes and streamlines DoD movement processes; integrates the functionality of selected, existing service-unique transportation legacy systems into a single AIS migration system consisting of a scaleable, deployable, distributed system environment, compliant with the Joint Technical Architecture (JTA).
Distributed Learning System (DLS)	Human Resources Management	<p>Uses information technology to streamline training processes, automate training management functions and enable training delivery.</p> <p>Supports improved individual and unit readiness and results in less disruption to Army families.</p> <p>Standardizes training and training management across Army while increasing cost savings/cost avoidance for training events and maintains or improves training quality.</p>
Reserve Component Automation System (RCAS)	Human Resources Management	<p>Mobilization planning office automation suite of applications for USAR and ARNG units in CONUS and OCONUS.</p> <p>RCAS enables transition through improvements to Retirement Points Accounting Management, Unit Personnel Management Systems, Command Management Systems, Integrated Data Management, the UPS Military Post Office and Force Authorization Management</p>
Electronic Military Personnel Office (E-MILPO)	Human Resources Management	Web-based system that provides the Active Army with a reliable, timely, and efficient mechanism for performing personnel actions and managing force strength accountability.
General Fund Enterprise Business System (GFEBS)	Financial Management	Integrated financial management; General funds integration; JFMIP certification.
Army Contracting Business Intelligence System (ACBIS)	Acquisition	Secure web-based technology to collect contract data and information from receipt of requirements to contract closeout. Assesses data necessary to analyze contract workload, budget and personnel trends to include benchmarking and activities performance to provide insight into Army contracting activities to improve processes and reduce operating and purchasing costs.



System / Initiative	Domain	Business Capabilities Provided
Virtual InSight (VIS)	Acquisition	Provide an authoritative source of documentation and facilitate virtual milestone documentation development; improve the ACAT I Milestone Decision Review process and to reduce the amount of necessary TDY travel associated with this effort.
Science & Technology Enterprise Management (STEM)	Acquisition	Allow Army scientists and engineers stationed throughout the world to work together on designing, developing, testing, procuring, producing, and sustaining systems of systems.
Acquisition Information Management (AIM)	Acquisition	Report and share acquisition related Program Management, Financial Management, Procurement and Contracting, and Acquisition Logistics data.
Future Combat System Advanced Collaboration Environment (FCS-ACE)	Acquisition	Plan and Direct Acquisition; Formulate Acquisition Effort; Manage S&T Program; Manage Program; Conduct Systems; Engineering; Conduct Financial Management; Conduct Procurement and Contract Management; Perform Acquisition Logistics; Manufacture and Produce System; Conduct Test and Evaluation
ATEC Versatile Information System Integrated Online Nationwide (VISION)	Acquisition	Provides integrated telemetry and data repository environment to support test event documentation and decisions; Establishes a networked common repository for test data and documentation.
Future Business System (FBS), formerly known as Advanced Collaboration Environment (ACE)	Acquisition	Plan and Direct Acquisition; Formulate Acquisition Effort; Manage S&T Program; Manage Program; Conduct Systems; Engineering; Conduct Financial Management; Conduct Procurement and Contract Management; Perform Acquisition Logistics; Manufacture and Produce System; Conduct Test and Evaluation

Component Priorities Linked to Targeted Outcomes, Milestones and Metrics

Table 6-2: Capabilities with Targeted Outcomes and Business Missions

Capabilities	Targeted Outcomes	Business Mission
E2E Logistics	Seamless flow of timely accurate, accessible, and secure information management	Logistics
Integrated Logistics Management	Total asset visibility, enhanced decision support capability, collaborative planning environment	Logistics
Transportation	Single Automated Information System (AIS) migration system	Logistics
Training	Standardized training and training management across the Army	Human Resources



Capabilities	Targeted Outcomes	Business Mission
Mobilization Planning	Office automation to USAR and ARNG units in CONUS and OCONUS	Human Resources
Force Strength Accountability	Reliable, timely, and efficient force strength accountability	Human Resources
Integrated Financial Management	General Funds Integration, JMFIP Certification	Financial Management
Acquisition Milestone Development Documentation	Facilitate virtual milestone documentation development	Acquisition
System Development	Coordinated system of systems design development and testing	Acquisition
Acquisition Program Management	Shared acquisition related program management data	Acquisition
Future Combat System Acquisition Management	Plan, direct, and manage acquisition programs	Acquisition
Acquisition System Test Event Documentation	Integrated Telemetry and data repository environment	Acquisition
Plan and Direct Acquisition	Formulate Acquisition effort and manage acquisition programs	Acquisition
Installation Support	Facilitate execution and operation of installation level functional business processes	Installation & Environment
Facilities Management	Manage all work associated with real property	Installation & Environment
Facilities Information Management	View management information from IFS and other databases	Installation & Environment



Other Systems and Initiatives of Interest

Table 6-3 provides a list of other systems and initiatives that are important to the Component's mission but not necessarily considered transformational, some of which may require IRB certification.

Table 6-3: Other Systems and Initiatives of Interest

System Name / Acronym	Description / Purpose	Comment	Category
Enterprise Human Resources System (eHRS)	eHRS will complement the Defense Integrated Military Human Resources System (DIMHRS). The main function of eHRS is to provide integration of systems providing functionality not covered under the DIMHRS initiative.	Integrates HRM applications	Tier 3
Integrated Personnel Electronic Records Management System (iPERMS)	Directly supports the Army's Military Personnel Records Management Mission in peace, mobilization, and war as required by Title 10 and Title 44, US Code. Provides automated system for recordkeeping functions using optical digital image systems which eliminates the need for duplicate personnel records and will support the VCISA's goal of reducing paper on the battlefield.	Replacing the PERMS system with enhancements	Tier 2
USMEPCOM Integrated Resource System (MIRS)	MIRS provides the automation and communications capability for USMEPCOM to meet its peacetime, mobilization, and wartime military manpower accession mission. Automates the business processes of processing new service members into the Armed Forces by managing aptitude tests, medical examinations, and administrative matters. Has key interfaces with the service recruiting systems, DMDC, and the Selective Service System	This is a multi-agency system supporting the administrative in-processing of military applicants.	Tier 2
eArmy University (eArmyU)	eArmyU is a state-of-the-art distance learning initiative that provides active duty enlisted soldiers the opportunity to pursue a college degree or certificate anytime, anywhere. By providing access to a variety of online degree programs and related educational services via a comprehensive web portal, eArmyU eliminates many of the barriers to education that soldiers have traditionally faced throughout their military careers. The eArmyU portal allows soldiers to research degrees, apply for admission, submit assignments, communicate with classmates, and assess their progress from one integrated site. Through eArmyU, soldiers can earn a post secondary certificate or an associate, bachelor's or master's degree from a home institution while taking courses from multiple eArmyU education partners. Credits transfer across institutions, enabling soldiers to quickly and conveniently progress with their educational goals as they transition from post to post. Soldiers receive 100% Tuition Assistance for tuition, fees, and books up to the established semester hour cap and tuition ceiling.	Part of the education and training needs of the Military	Tier 2



System Name / Acronym	Description / Purpose	Comment	Category
Installation Management Support–Army (IMS-A)	IMS-A is a family of systems consisting of the Installation Support Modules system; the Range Facility Management Support System; and the Army’s Hazardous Substance Management Support system. These systems facilitate the execution and operation of specific installation level functional business processes by providing standardized software applications to Army installations located in CONUS and OCONUS. The IMS-A solution to installation management employs nine discrete modules to assist commanders train, equip, sustain, deploy and transition soldiers. The IMS-A Assistant Project Manager is prepared to assume role as central manager and acquisition agent for the Army’s Installation Management Agency’s pending Business Process Review initiative.	Provides needed transition resources for Army soldiers	Tier 2
User Based Army National Guard System / UBANGS	UBANGS is a GUI based standalone application. This system helps Generators communicate electronically via e-mail with the Defense Reutilization Marketing Office (DRMO) and provide an efficient method to keep track of the posts hazardous accumulations. It allows base personnel to facilitate turn-ins of hazardous waste for ultimate disposal through DRMO.	The Army I&E Domain is awaiting completion of an Enterprise Business Architecture in order to develop a Domain Transition Plan. This system will be included in any transition plan as either a core system, a system to be reengineered, or a system for sunsetting.	Tier 2
Headquarters Executive Information System / HQEIS	Allows HQDA, MACOMs & installations to view management information from Integrated Facilities System & other databases w/out knowledge of Structured Query Language. A multidimensional database provides graphical & tabular displays for multiple levels & Fiscal Years	The Army I&E Domain is awaiting completion of an Enterprise Business Architecture in order to develop a Domain Transition Plan. This system will be included in any transition plan as either a core system, a system to be reengineered, or a system for sunsetting.	Tier 2



System Name / Acronym	Description / Purpose	Comment	Category
Installation Executive Information System / IEIS	The Installation Executive Information System (IEIS) is the DPWs tool for accessing existing facilities management, cost, and real property data. It allows users to easily navigate through massive amounts of data quickly in order to prepare briefings and reports necessary for planning, decision making and problem solving.	The Army I&E Domain is awaiting completion of an Enterprise Business Architecture in order to develop a Domain Transition Plan. This system will be included in any transition plan as either a core system, a system to be reengineered, or a system for sunseting.	Tier 2
Integrated Facilities System / IFS	IFS is used by installation-level Directorates of Public Works, and MACOMS to manage all work associated with the maintenance of the Armies real property, and to report that same real property to the Department of the Army, Congress, GSA and others.	The Army I&E Domain is awaiting completion of an Enterprise Business Architecture in order to develop a Domain Transition Plan. This system will be included in any transition plan as either a core system, a system to be reengineered, or a system for sunseting.	Tier 2
Planning Resource for Infrastructure Development and Execution / PRIDE	PRIDE is a facilities/installation management system supporting NGB-ARI. It is a Commercial-Off-The-Shelf (COTS) system encompassing all ARI functions and replacing several automated facility management systems, including Desktop Resource for Real Property (DRREAL).	The Army I&E Domain is awaiting completion of an Enterprise Business Architecture in order to develop a Domain Transition Plan. This system will be included in any transition plan as either a core system, a system to be reengineered, or a system for sunseting.	Tier 2
Hazardous Substance Maintenance System / HSMS	HSMS is an automated system, which has been developed to work along with good hazardous material management practices. It tracks hazardous material from the time of request until it leaves an installation through use, turn-in, or as hazardous waste.	HSMS is a legacy system scheduled to be included in the Logistics Domain's Single Army Logistics Enterprise (SALE) system.	Tier 2



System Name / Acronym	Description / Purpose	Comment	Category
Real Estate Management Information System / REMIS	System used to manage the Real Estate program within the Army Corps of Engineers and throughout the Army.	The Army I&E Domain is awaiting completion of an Enterprise Business Architecture in order to develop a Domain Transition Plan. This system will be included in any transition plan as either a core system, a system to be reengineered, or a system for sunsetting.	Tier 2
Recruiting Facilities Management Information System / RFMIS	Recruiting Facilities MIS Program execution & management of DoD recruiting facilities.	The Army I&E Domain is awaiting completion of an Enterprise Business Architecture in order to develop a Domain Transition Plan. This system will be included in any transition plan as either a core system, a system to be reengineered, or a system for sunsetting.	Tier 2
Engineering and Base Operations Support System/ ENBOSS	ENBOSS is used to manage U.S. Army Reserve inventory of real property throughout the life cycle of each facility, from acquisition through disposal. ENBOSS is an integrated suite of software applications developed for ACSIM-AR. ENBOSS supports 205,000 Army Reserve soldiers located in 3,600 facilities worldwide providing integrated automated business applications for military construction, facilities operations and maintenance, real property/real estate, and environmental stewardship.	The Army I&E Domain is awaiting completion of an Enterprise Business Architecture in order to develop a Domain Transition Plan. This system will be included in any transition plan as either a core system, a system to be reengineered, or a system for sunsetting.	Tier 2



Chapter 7: Department of the Navy

Business Transformation Vision

The Department of the Navy's business transformation vision is to significantly increase readiness, effectiveness, and availability of warfighting forces by: (a) employing business process change to create more effective operations at reduced costs, and (b) exploiting process improvements, technology enhancements, and an effective human capital strategy to ensure continued mission superiority.

Figure 7-1: Department of the Navy Business Transformation

Decisiveness ~ Sustainability ~ Responsiveness ~ Agility



Business Transformation Goals

The Department's business improvement objectives, described below, are designed to enable achievement of the *Naval Power 21* vision and facilitate the implementation of *Sea Power 21* and *Marine Corps Strategy 21*:

- Develop and maintain a secure, seamless, interoperable Information Management/Information Technology (IM/IT) infrastructure as the transport layer for transformed business processes
- Create optimized processes and integrated systems
- Optimize investments for mission accomplishment
- Transform applications and data into web-based capabilities to improve effectiveness and gain efficiencies
- Align Business Mission Area governance to produce a single, integrated enterprise

Transformation Narrative

Naval Power 21. The Navy and Marine Corps exist to control the seas, assure access and project power beyond the sea, and influence events and advance American interests across the full spectrum of military operations. As expressed in our keystone vision document, *Naval Power 21*, naval forces are characterized by four fundamental qualities:

- **Decisiveness:** Every element of the Navy-Marine Corps team will be equipped, organized, and trained to bring decisive effects to bear against our adversaries.
- **Sustainability:** We are capable of arriving quickly and remaining on scene for extended periods.
- **Responsiveness:** Naval forces operate around the globe, around the clock. Operating from the sea, we are free of basing or permission constraints.
- **Agility:** Our flexible organization enables scalability to the requirements of any situation.

These essential qualities have remained constant, though the Navy and Marine Corps have always changed, adapted, and transformed to meet emerging threats and respond to evolving requirements. Looking to the future, we expect that naval forces will be more widely dispersed than in the past, yet by leveraging technology and innovation they will be fully netted and capable of simultaneous sea control, strike, forcible entry, special operations, sea based missile defense, strategic deterrence, and maritime interdictions. This broader, more complex mission, coupled with constrained resources, will require us to operate with a smaller number of Sailors and Marines that are better trained, better educated, and more motivated than ever before.

Enhanced sea basing and dispersed logistics will enable us to sustain our forces' warfighting capability and continue American influence as long as necessary, wherever we are called upon to deploy. By becoming a more effective and efficient enterprise and implementing innovative business initiatives, we will free resources for reinvestment in improved warfighting capabilities. The Navy and Marine Corps have defined their respective Service strategies for achieving the *Naval Power 21* vision in *Sea Power 21* and *Marine Corps Strategy 21*.



Sea Power 21 defines a Navy with three fundamental operational concepts: Sea Strike, Sea Shield, and Sea Basing, enabled by a robust information technology component, **FORCEnet**. Respectively, they enhance America’s ability to project offensive power, defensive assurance, and operational independence around the globe. A supporting triad of initiatives—**Sea Warrior**, **Sea Trial**, and **Sea Enterprise**—will develop those core operational concepts.

- **Sea Basing** projects the sovereignty of the United States globally while providing Joint Force Commanders with vital command and control, fire support, and logistics from the sea, thereby minimizing vulnerable assets ashore.
- **FORCEnet** is an architectural construct designed to include standard joint protocols, common data packaging, seamless interoperability, and strengthened security, to enable the swift and effective use of information that is foundational to *Sea Power 21* and *Naval Power 21*.
- **Sea Warrior** is the process of developing 21st century Sailors. It identifies the knowledge, skills, and abilities needed for mission accomplishment; applies a career-long training and education continuum; and employs a responsive, interactive career management system to ensure the people with right skills are in the right place at the right time.
- **Sea Trial** is a continual process of concept and technology development through focused wargames, experiments, and exercises. It strengthens the Navy’s culture of innovation and accelerates the delivery of enhanced capabilities to the Fleet.
- **Sea Enterprise** promotes incorporation of change to more efficient methods of doing business through reengineering and incorporation of new technologies. This effort captures efficiencies by employing lessons from business transformation to assess organizational alignment, target areas for improvement, and prioritize investments.

Marine Corps Strategy 21 defines a Marine Corps tailored to answer the nation’s call at home or abroad. It provides the vision, goals, and objectives that support the development of enhanced strategic agility, operational reach, and tactical flexibility that enable joint, allied, and coalition operations. These capabilities will continue to provide the regional Combatant Commanders with scalable, interoperable, combined arms Marine Air-Ground Task Forces that shape the international environment; respond quickly across the complex spectrum of crises and conflicts; and assure access or prosecute forcible entry where and when required. Fundamental to the Marine Corps vision are:

- Optimizing the Corps’ operating forces, support and sustainment base, and unique capabilities
- Making Marines to win the nation’s battles and create quality citizens
- Sustaining the enduring Navy-Marine Corps relationship
- Reinforcing the Marine Corps’ strategic partnership with the Army, Air Force, and U.S. Special Operations Command
- Contributing to the development of joint, allied, coalition, and interagency capabilities
- Capitalizing on innovation, experimentation, and technology



The Marine Corps Business Enterprise Strategic Plan documents the way ahead for their business transformation.

The Navy and Marine Corps not only operate as an integrated team, but also as threads in a tapestry of technological change, joint and coalition requirements, Federal Government and Department of Defense transformation, and Executive, Congressional, and public scrutiny. These elements create additional opportunities and challenges to be addressed as we chart the course ahead.

Transformation Goals

Creating a Seamless Infrastructure

Swift and effective use of information will be central to the success of our future operations. Near-instantaneous collection, analysis, and dissemination of information, coupled with computer-driven decision aids, will enable joint force commanders to make more informed decisions that will focus overwhelming offensive and defensive firepower over tremendous

distances from widely dispersed forces. Integrated intelligence from joint military, interagency, and coalition sources will enable us to identify and neutralize threats far from our shores, locate and destroy anti-access challenges in littoral waters, and engage adversaries on land and in the air. Compiled data will inform critical functions, such as joint command and logistics, ensuring operational effectiveness and timely support.

The Department of the Navy has embarked on an information technology infrastructure rationalization effort, the result of which will be a core set of networks that support the Navy-Marine Corps team. ONE-NET (OCONUS network), Integrated Shipboard Network System (ISNS - afloat network), the Marine Corps Enterprise Network (MCEN) and the Navy Marine Corps Intranet (NMCI) form the nucleus of a consistent naval network infrastructure that allows effective,

consistent standards and information access from across the globe. The NMCI initiative provides network-based access to enterprise processes and applications through an innovative performance-based contract. Because all users are within the same network, interoperability and security are markedly improved by NMCI. Further, the NMCI Network Operations Centers provide around-the-clock network services and support, and the network's multiple pathways ensure continuous connectivity, regardless of local disruptions.

Transition to NMCI became the forcing function in the Department of the Navy for transformational moves away from local, stovepipe solutions to an enterprise information technology infrastructure that enables consistent configuration management, application rationalization, server consolidation and superior information assurance using Public Key Infrastructure technologies. Under the FORCEnet concept, the Department will build upon the successes of NMCI to join our afloat, Marine expeditionary, and overseas ashore networks into a secure, fully interoperable set of networks linking warriors, sensors, command and control platforms, and weapons into a combat force that is scalable to any level of conflict or crisis. These networks will not only reach out to warfighters on the edge, but also enable those warfighters to reach back to support services and authoritative data sources, and serve as the transport layer for our transformed business processes.

“To be successful, we need to support warfighting excellence with well-managed business process that are both effective and efficient.”

**General M.W. Hagee
U.S. Marine Corps
Business Enterprise Strategic Plan
2 November 2004**



Creating Optimized Processes and Integrated Systems

We are improving organizational alignment to reduce overhead, streamlining processes to eliminate non-value-added functions, substituting technology for manpower, and creating incentives for positive change. The Secretary of the Navy has directed mandatory training and implementation of Lean/Six Sigma, a set of tools and methods for continuous efficiency improvement, throughout the Department of Navy. “Lean” embodies methods to identify and remove non-value-added activities from processes, reducing cycle time and increasing productivity. “Six Sigma” methods improve quality, reduce variability, and measure performance. Using Lean/Six Sigma, numerous DON activities have achieved “order of magnitude” efficiency and productivity improvements. In conjunction with process reengineering efforts, legacy systems and platforms no longer integral to mission accomplishment will be retired. We will select IM/IT investments that improve combat capability, warfighting readiness, and mission accomplishment, assessing and validating them via the Department’s portfolio management processes and certifying them for conformance with the DON and DoD Business Enterprise Architectures. Investments selected for our portfolio will be routinely evaluated for performance and continued contribution to strategic goals and objectives.

Portfolio Management

In a concerted effort to rationalize the DON’s legacy applications and embrace portfolio management best practices, the DON established senior headquarters functional process owners to serve as Functional Area Managers (FAMs). FAMs have the responsibility for working with Echelon II and Major Subordinate commands to align processes, and identify a minimal set of applications on enterprise networks required to execute the mission of the Department. This aggressive campaign is being waged to eliminate legacy networks, consolidate server support, and eliminate redundant applications. The resulting portfolio of investments will be tracked and managed using the DON Applications and Database Management System (DADMS), established as the Department’s single authoritative repository for applications, databases, networks, and servers.

“...we will create an enterprise culture and achieve Operational Excellence.... like most major corporations, we need to build a process centered organization that eliminates the variation between goals and results through Six Sigma improvements.”

Gordon R. England
Acting Deputy Secretary of Defense

Table 7-1: Department of the Navy Functional Area Managers

Logistics	Readiness	Acquisition	Test & Evaluation
Scientific & Technical	Modeling & Simulation	Naval Nuclear Propulsion	Civilian Personnel
Legal	Medical	Reserve Affairs	Religious Ministries
Training & Education	Manpower & Personnel	Financial Management	Resources, Requirements & Assessments
Enterprise Services	Command, Control & Communications	Information Warfare	Intelligence & Cryptology
Meteorology, Oceanography & GI&S	Precise Time & Astrometry	Weapons Planning & Control	



**INSTALLATION MANAGEMENT—
A SUCCESS STORY**

With a focus first on organizational alignment and process improvement, significant opportunities emerge for the transformation of business systems. With the stand-up of the Commander, Navy Installations, the responsibilities of eight installation management claimants have been consolidated into one organization. The development of standardized process, policies and practices are enabling an Enterprise-wide approach to integrated installation management. As a result, hundreds of local applications are being consolidated into a few core systems. These integrated systems will both speed up and improve decision processes, while aligning efforts across the Navy. Dramatic streamlining of processes and systems will reduce reporting sources from 540 to 4.

The Department's FAMs are aligned with DoD's Core Business Mission Areas to properly position DON stakeholders to work with their DoD counterparts and to facilitate the Department's BMMP pre-certification reviews. Our annual *DON IT Budget Execution Guidance*, issued in conjunction with Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN (FM&C)), enlists the DON's comptrollers and contracting officers to monitor and enforce compliance with DON and DoD enterprise policy.

Logistics

DON logistics transformation is centered on development of Sea Basing, a set of capabilities that will provide for the mobility and sustainment foundational to our ability to project persistent, decisive offensive and defensive firepower from the sea. Improved processes, such as contracting that delivers increased system readiness through vendor performance requirements and incentives (performance based logistics) and application of continuous improvement practices (Lean Six Sigma) will produce greater efficiency from available resources.

Exploitation of technology will support greater situational awareness and materiel asset visibility; make possible quicker, more efficient delivery of materiel when and where it is needed, with resultant reduced requirements for stockpiling and overseas logistical footprints; and enable knowledge and information sharing and collaboration to support combatant decision makers. Additional initiatives are aimed at improvement of our financial management operations, to result in timely, auditable financial information and increased efficiency in installation management, to reduce overhead and improve installation support to operating forces.

Key elements in our logistics transformation are the Navy Enterprise Resource Planning (ERP) Program, Navy Tactical Command Support System (NTCSS), and the Global Combat Support System-Marine Corps (GCSS-MC) — naval components of a Joint program to integrate data on materiel asset and equipment readiness, and repair asset visibility into a timely and accurate web-based picture for operational decision makers.

Maintenance

By applying proven business process improvement techniques from industry, we have achieved substantially improved materiel readiness while reducing maintenance work hours and cycle times. Lean, a focus on elimination of steps that do not add value to a process, and Six Sigma, which seeks to improve process outcomes by reducing variation in component elements, have resulted in dramatic improvements where they have been applied in equipment maintenance activities. Profound improvements to DON organizations have been made through application of these techniques. The Naval Sea Systems Command (NAVSEA) is transforming their shipyards through continuous improvement:

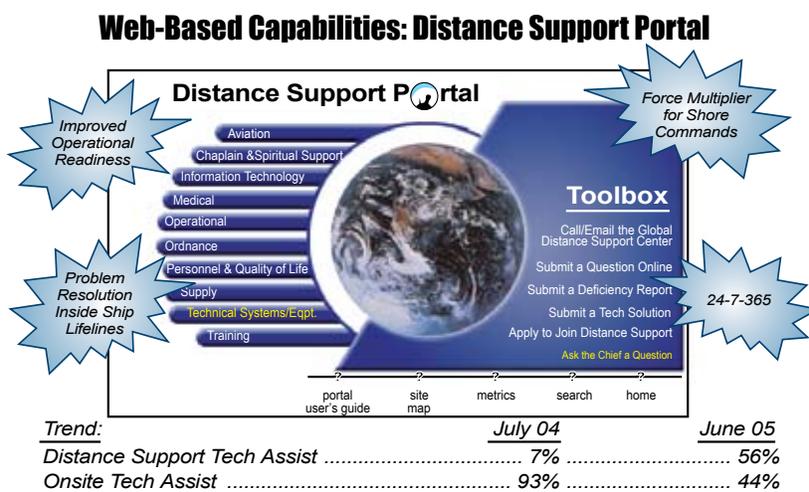


- Puget Sound Naval Shipyard and Intermediate Maintenance Facility improved engineering and planning performance for Technical Work Document (TWD) development by reducing flow time by 75 percent and increasing productivity by 34 percent.
- Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility used Lean initiatives to reduce waste disposal costs and increase efficiency through an initial “manday” savings of 472 “mandays,” and waste disposal cost reduction of 78 percent.
- The Portsmouth Naval Shipyard employed Lean Six Sigma to reduce its ball valve repair cycle time from an average of 208 to just 45 days.

Similarly, the Marine Corps’ Cherry Point Aviation Maintenance Depot cut its average throughput time for H-46 helicopter routine maintenance from over 200 to 135 days. These are just examples from two commands, of many instances in which process improvement has made possible unprecedented efficiencies.

By supplementing process improvements with technology, we are able to further reduce manpower requirements and increase platform stay times and availability. The Distance Support portal, employing web-based applications, enables Sailors afloat or otherwise removed from technical experts ashore to perform maintenance and repair activities that previously required those experts to be physically present. Maintenance actions requiring expert advice from onsite specialist personnel have been reduced from 93 percent in July 2004 to 44 percent by June 2005.

Figure 7-2: Distance Support Portal



Transforming shipboard processes, providing universal access and connecting the intellectual capital of the shore establishment to our deployed forces.

**NAVAL AVIATION ENTERPRISE—
A SUCCESS STORY**

Process efficiencies are crucial to the future of aviation readiness. The Naval Aviation Enterprise has brought together the commands responsible for managing components of naval aviation into a single aligned team, focused on a single outcome-based metric, “Aircraft Ready for Tasking.” Several transformational initiatives are in process using industry proven best practices and continuous improvement to reduce cycle and improve productivity. Some examples of key AIRSpeed successes are:

- Reduced H-46 aircraft turn around time from 215 days to 135 days.
- Reduced F/A-18 engine turn around time from 83 days to 12 days.
- Reduced response time of “Rapid Deployment NAVAIR Engineering Teams” in support of troops in theater from 12 days to 3 days.



“...as stewards of the public trust, it is our duty to optimize the resources entrusted to us and to maximize the return on taxpayer investment... [we] must look internally to find more efficient and effective operating methods. To realize these efficiencies, we must understand the example of the most competitive and agile industries in the United States.”

ADM Michael G. Mullen,
Chief of Naval Operations

Human Capital

Our strategy requires Sailors and Marines that are better trained, better educated, and more highly motivated than ever before. We have integrated our manpower, personnel and training activities into a single business process designed to recruit, develop, organize, and sustain a force of professionals capable of prevailing over America’s adversaries in the complex and uncertain crises and conflicts ahead. We will employ nontraditional methods and technology to deliver quality training and education opportunities to our people whenever they seek to learn, wherever they are serving, with initiatives such as Navy Distance Learning. Self-service transactions via the Internet allow effective service at least cost to Sailors, Marines, and Civilians.

Figure 7-3: Human Capital

Optimized Processes/Integrated Systems

Human Capital

Sea Warrior: Transformation of Human Resources in the Navy

(The Manpower, Personnel, Training and Education tenet of Sea Power 21)

- Integrating Navy manpower, personnel and training organizations into a single integrated human resource management system.
- Enabling the Navy to implement a Total Force Human Capital Strategy that maximizes the effectiveness of its most valuable resource, its people.
- Providing each member of the Navy team the ability to achieve their personal goals; providing human resource managers with a powerful force shaping tool.
- “Fit-to-Fill”: Delivering the right Sailor, with the right skills, at the right time, in the right place to meet Fleet requirements.

Human Capital Strategy

- Leveraging DoD Initiatives: NSPS, DCPDS, DIMHRS, etc.
- Shaping current and future requirements for workforce planning.
- Optimizing human performance through Human Systems Integration.
- Workload Performance: effective work and organizational management.

Through Navy Distance Learning, Sailors, Marines, Civilian employees, Reservists, even retirees and the families of active duty military personnel have access to over 1400 courses, covering subjects in IT, management, communications, and financial management, as well as military training courses, and the list will continue to grow. Web-based technology also enables us to empower our Sailors and Marines with the ability to perform many administrative and career management functions on their own behalf, whether they are stationed in the Continental United States or deployed, without waiting for appointments or requesting assistance. Self-service transactions available via the Internet give greater power to the individual, result in increased personal satisfaction, aid retention, and reduce the need for administrative support, freeing resources and end strength for warfighting applications.



Enterprise Resource Planning

Adopting successful techniques from industry, the Navy Enterprise Resource Planning (ERP) system integrates acquisition, finance, supply, and logistics processes to reduce cycle times, provide improved asset visibility, reduce inventory requirements, deliver more accurate financial information, eliminate redundant applications and databases, enhance configuration management, and lower information systems costs. In keeping with established best practices, Navy ERP employs commercial-off-the-shelf software, and business process functions that are designed to use the software with minimal customization. Navy ERP will deliver its capabilities via an Enterprise Portal that will support discovery of web services outside of ERP.

Figure 7-4: Navy ERP Functional Scope



The commercial-off-the-shelf (COTS)-based ERP concept was tested in four pilot projects, conducted by Naval Sea Systems Command (NAVSEA), Naval Air Systems Command (NAVAIR), Naval Supply Systems Command (NAVSUP), and Space and Naval Warfare Systems Command (SPAWAR), to prove whether the Navy/DoD could successfully exploit COTS software for complex military maintenance and logistics, and business and financial management.

- **Financial Management:** SPAWAR tested a financial management pilot, CABRILLO, which achieved a fifty percent reduction in the cost of business systems support and reduced acquisition requisition-to-order processing time from 44 days to 44 minutes.
- **Regional Maintenance:** NAVSEA and Fleet Forces Command tested the Navy Enterprise Maintenance Automated Information System (NEMAIS), a regional maintenance management pilot. Using NEMAIS, Fleet maintenance activities reduced average total repair times by sixteen percent and totally eliminated job rejection notification time. Prior to NEMAIS, these notifications took an average of 20 days to process.
- **Program Management:** NAVAIR piloted SIGMA, focused on financial and acquisition program management improvement. With SIGMA, NAVAIR



decreased financial statement processing time by 66 percent and cut engineering change proposal approval times from an average of 87 days to 25 days.

- **Supply:** Supply, Maintenance, Aviation Re-engineering Team (SMART), tested by NAVSUP and NAVAIR, processed over one million parts inventory transactions with an error rate of less than one half of one percent and lowered warehouse refusal rate from 3.5 percent to 0.5 percent.

Naval Air Systems Command SIGMA Project received the 2005 Americas' SAP Users' Group (ASUG) Impact Award for recognizing strategic business results. (The runner-up is Bristol Myers Squibb.)

Based upon these successful demonstrations of COTS ERP suitability for military use in these functional areas, the DON decided to adopt ERP, converge the pilots into a single program, and expand the ERP to optimize business processes across the Navy enterprise.

Resource Optimization

Financial Management

Business process transformation within the DON represents a long-term strategy to improve the quality and visibility of financial information used for decision making. This transformation encompasses the IT infrastructure, optimized processes, integrated systems and Human capital initiatives discussed above. It will result in near-term results as review processes that validate technical and architectural compliance also validate budget visibility, resulting in improved system investment decisions. It will produce long-term results as improved and better controlled business processes result in more timely and accurate financial information, better resource allocation decisions, and ultimately a favorable independent audit opinion. This strategy involves four key elements:

- **Alignment** with the DoD Business Enterprise Architecture business rules such as the Standard Financial Information Structure (SFIS) and systems like Wide Area Workflow that capture the information required for accurately recording business events. The DON FM community will implement the enterprise level SFIS and the United States Standard General Ledger as it implements Navy ERP. The DON (including Navy ERP) will use or interface with the enterprise layer suite of financial and financial feeder systems.
- **Transition** of Financial and associated financial feeder systems in a coherent strategy to move towards compliant target systems such as the Navy ERP system. Future reengineered processes will be controlled and enforced within an automated, integrated data processing environment that supports standardization and efficiency. Navy ERP will be the cornerstone of the future business environment, providing the “backbone” for the majority of required FM capabilities including budget formulation and execution, funds distribution; core proprietary, budgetary, and cost accounting; and internal DON information and reports. We intend for Navy ERP to replace all core DFAS/DON accounting systems and approximately 200 financial feeder/Budget/MIS systems across the DON.
- **Rationalization** of systems to harvest resources for investment in the future environment, while retaining fewer systems that can control and standardize business processes. The Financial Management Functional Area Manager



is consolidating redundant systems in the near term, as a prelude to Navy ERP deployment. System rationalization and business case analysis is being performed to determine the feasibility and cost effectiveness of proposed interim measures.

- **Integration** of the elements above, including the people, systems, and process controls necessary to specifically address currently documented financial statement weaknesses within the DON Financial Improvement Plan (FIP). This effort is part of the broader, DoD Financial Improvement and Audit Readiness (FIAR) initiative. The DON FIP integrates business process improvements and systems transformation efforts with an emphasis on internal controls. The effort is focused on outcomes that produce accurate, reliable, and timely financial information that can be used by management to make good business decisions. The DON FIP uses a plan to coordinate actions and tasks that will measure the success of business transformation in financial terms—better quality financial information that can be affirmed by independent audit.

A key component of the DON FIP is the Marine Corps Financial Improvement Initiative (MC FII), a proof of concept to achieve accurate, timely, useful, and auditable financial information, conduct sustainable financial management efforts, and align business processes with the DoD Business Enterprise Architecture. Focusing on five strategic areas mapped to the DoD Business Rules, MC FII will allow the Marine Corps to obtain a clean, unqualified auditor's opinion of its financial statements.

Legacy Application, Server and Network Rationalization and Reduction

The DON's Functional Area Managers, working with Navy Echelon II and Marine Corps Major Subordinate commands are reengineering business processes to create process standardization and eliminate redundant software applications, consolidate servers, and terminate legacy networks. The classification and rationalization of tens of thousands of legacy applications has resulted in approximately 10,000 applications allowed for use on naval networks. Efforts continue to further reduce this number. The DON Application and Database Management System (DADMS) serves as the authoritative repository for managing systems and applications across the Department.

Leveraging the DoD Enterprise Software Initiative (ESI)

The DoD ESI, co-chaired by the DON, is a Joint project to reduce the cost of COTS information technology and implement a software enterprise management process. This methodology has created an opportunity for DON to leverage its buying power and reduce per unit software licensing and maintenance fees. Recent accomplishments include:

- The Navy-wide Oracle database license, obtained through an ESI-managed Federal SmartBUY Agreement, significantly reduced the cost to the Service for Oracle products, enabling all members of the Navy to use the database products, making the move from client-server to web-based services easier and saving the Navy tens of millions of dollars.
- The ESI produced another cost avoidance for the Navy by negotiating an enterprise license with Microsoft for One Net, the modernization of OCONUS infrastructure to support FORCENet goals.
- The commercial methodologies and best practices integral to COTS ERP systems integration agreements, negotiated by ESI, are guiding GCSS-MC implementation.



Other Resource Optimization Activities

- The Navy Cash program will perform pay delivery and provide cashless retail operations aboard all surface ships with disbursing offices. Sailors and Marines will have 24/7 access to hometown banks and credit unions using a branded debit card.
- The annual *DON IT Budget Execution Guidance* enforces alignment with DoD and DON IT policy by tying it to direction given to comptrollers and contracting officers, effectively making them onsite enforcement officials.
- The Marine Corps Standard Accounting, Budgeting, and Reporting System (SABRS) completed Joint Financial Management Improvement Program (JMFIP) testing and is the only operational system to complete such testing. This provides additional assurance that Marine Corps financial transactions are processed in accordance with requirements and provides additional data integrity for financial reporting.
- Marine Corps collaboration with the Defense Finance and Accounting Service, has increased the use of electronic commerce to reduce interest penalties by over 50 percent over the same time period last year. Automation of miscellaneous payments process have reduced manual workload, increase accuracy of payments made, improved effectiveness of personnel resources and reduced pre-validation failures and problem disbursements.

Implementing Web-Based Capabilities

As discussed above, replacement of legacy applications and isolated processes with web-based capabilities will be key to improving business processes and freeing Sailors, Marines and DON Civilians from administrative functions, enabling them to focus on core missions. DON Enterprise portals and employment of open standards and technologies will give Sailors and Marines access to secure self-service transactions from anywhere in the world and enable transformational change in our logistics, maintenance, and financial operations.

Figure 7-5: Navy Knowledge Online



Major component of the Navy's integrated delivery system for lifelong learning initiatives, personal development, and knowledge management



The Total Force Administration System (TFAS) replaces multiple administration-intensive manual processes with a suite of applications accessible from any web browser. Individual Marines are empowered to correct erroneous or outdated information in their records, providing individual satisfaction and more accurate personnel information to Marine Corps leaders at all levels. In addition to enabling individual and leadership access to view Marines' personnel records via Marine OnLine, TFAS's web-capabilities are averaging more than 100,000 individual and leader initiated self-service transactions per month, with a corresponding reduction in the requirement for administration center assistance. TFAS's existing and planned capabilities will make it possible for the Marine Corps to establish consolidated, installation level administration centers and allow the Service to return approximately 750 former administrator billets for reinvestment to other structure requirements. As of August 2005, TFAS has completed over 770,000 transactions with an error rate of less than one percent. Sailors and Navy Civilians have access to Navy Knowledge Online, a portal that provides technical information and fosters collaboration to help users better perform their work; and enables users to obtain education and training for personal and professional development, and perform self-service personnel transactions.

Navy ERP will be fully browser accessible, and will provide net-centric information services to Combatant Commander portals as discoverable and subscribable offerings. Initial capabilities will include stock location, funds availability confirmation, and status of open orders for materials requisitioned from the Naval Supply System. Over time, more such services will be added to support all of the Combatant Commander interest information created or housed in Navy ERP.

The Navy Reserve has deployed a revolutionary capability to issue orders to its 80,000 members using the Web. Building on the success of the Marine Corps Reserve Order Writing System, the Navy Reserve modified the Marine Corps software to accommodate and improve processes and deployed the Navy Reserve Order Writing System (NROWS), allowing many processes to move to the self-service model afforded by the Web. Previously orders were issued using a costly paper based process. Using the Web, orders and travel can be accommodated in less than a day.

The Navy has developed and deployed the Job Advertising and Selection System (JASS)—a web-based detailing tool that, combined with NKO and the 5Vector Model, allows Sailors to apply for positions they are qualified for and eliminates the cumbersome detailing process. This system saves countless hours and resources allocated to the assignment of personnel and allows for more efficient placement of Sailors.

Aligning for Enterprise Transformation

The DON recognized that alignment must occur at the most senior levels in order for transformation to succeed. The DON Business Process Transformation Council, chaired by the Under Secretary of the Navy, with membership including the Vice Chief of Naval Operations, the Assistant Commandant of the Marine Corps, Assistant Secretaries of the Navy, and the Chief Information Officer, will bring the Department's senior executive leadership to bear on business transformation issues and provides Enterprise-wide policy direction and execution oversight.

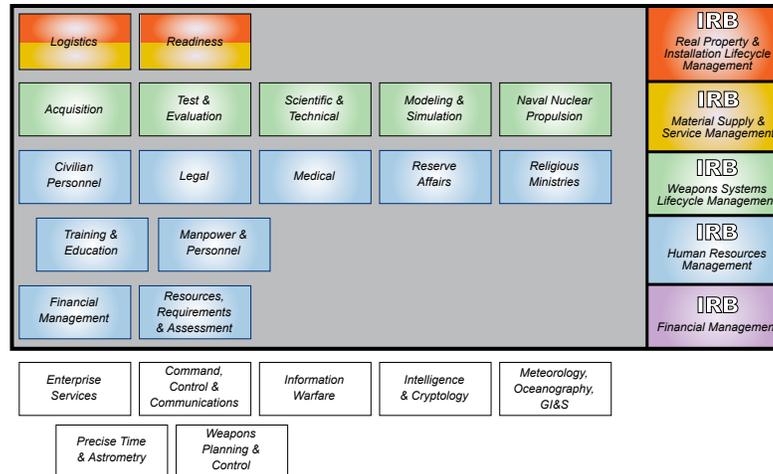
The Department has also taken steps to align and integrate Navy and Marine Corps IT governance. The designation of Deputy CIOs for the Navy and Marine Corps has aligned policy development with operational responsibilities, and established formal reporting relationships



with information officers throughout the chain of command. The stand up of the Office of the Assistant Chief of Naval Operations for Information Technology (ACNO (IT)) has similarly aligned efforts on the Navy staff to create a focal point for Navy IT under *Sea Power 21*.

The DON's functional areas are also aligned with DoD's Core Business Mission Areas, and executive members of the DON are assigned as voting representatives of the DoD Investment Review Boards corresponding to their staff responsibilities to facilitate transformation efforts and the BMMP investment review process.

Figure 7-6: Functional Area Managers Aligned to DoD IRBs



Systems and Initiatives

Systems and initiatives associated with DON's business transformation include the following:

Systems

- Navy Enterprise Resource Planning (Navy ERP), described earlier, is the key enabler of the Sea Enterprise transformation. Decision makers at all levels will have access to accurate real-time information on financial status, asset condition, and personnel utilization.
- Global Combat Support System – Marine Corps (GCSS-MC), the technology implementing the operational architecture supporting the Marine Corps' Logistics Modernization Strategy, will provide a fused, real-time, accurate logistics picture to operators, planners, and warfighting commanders at the Marine Corps and Joint levels. GCSS-MC will make possible shorter supply cycles and more efficient delivery, employing lessons learned from Operations Desert Storm and Iraqi Freedom.
- Navy Tactical Command Support System (NTCSS) is a multi-application program that incorporates the functionality of Shipboard Non-tactical Automated Data Processing Program (SNAP), Naval Aviation Logistics Command Management Information System (NALCOMIS), Maintenance Resource Management System (MRMS), and several small stand-alone information systems, providing standard information resource management to ships, submarines, aviation squadrons, and



intermediate maintenance activities (afloat and ashore). NTCSS provides unit commanding officers and crews the ability to manage ship/aircraft maintenance, parts inventory, finances, automated technical manuals and drawings, personnel information, crew's mess, ship's store, and unit administrative information. It provides intermediate-level maintenance activities the ability to manage workload and resources involved in repair actions for aviation repairables and ships' repair work packages.

- Total Force Administration System (TFAS) replaces stovepiped manual processes with a system of web-based applications providing pay and personnel information and tools, accessible in a secure environment via the Marine Online portal. TFAS makes most pay and personnel transactions self-service, reducing requirements for administrative support. Role-based report capability enables Marine Corps leaders at all levels to acquire timely and accurate personnel information.

Initiatives

- Marine Corps Financial Improvement Initiative (MC FII) is a proof of concept to achieve accurate, timely, useful, and auditable financial information, conduct sustainable financial management efforts, and align business processes with the DoD Business Enterprise Architecture. Focusing on five strategic areas mapped to the DoD Business Rules, MC FII will allow the Marine Corps to obtain a clean, unqualified auditor's opinion on its financial statements.
- Navy Marine Corps Intranet (NMCI) is an enterprise transformation of information technology infrastructure that provides the full range of network-based information services through an innovative performance-based service contract. NMCI is replacing numerous independent networks ashore with a single secure network and is a vital part of the Department's overall networking plan.
- Automated Identification Technology (AIT) is an initiative applying proven technologies, such as radio frequency identification, magnetic strip readers, and Universal Product Code to provide real-time inventory, and markedly improved asset visibility to logisticians and operations decision makers with reduced requirement for processing and administration by humans. Other auto ID technologies, like common access cards, biometrics, and retinal scan are serving to improve physical security of DON activities with fewer security personnel and less human administration of security documentation.

Table 7-2: Systems and Initiatives

System / Initiative	Supported Goals / Priorities	Business Capabilities Provided
Navy ERP	<ul style="list-style-type: none"> • Optimizing Processes & Integrating Systems • Developing Web-based Capabilities • Resource Optimization <p><i>Supports DoD Business Enterprise Priorities for Financial, Acquisition, Materiel & Personnel Visibility, and Common Supplier Engagement</i></p>	Combines industry-proven practices to provide the Navy with integrated acquisition, finance, and logistics capabilities. Delivers reduced supply/maintenance cycle times, increased financial accuracy, elimination of redundant applications and databases, enhanced configuration management, reduced IT systems costs, inventory reduction.



System / Initiative	Supported Goals / Priorities	Business Capabilities Provided
GCSS-MC	<ul style="list-style-type: none"> Optimizing Processes & Integrating Systems <i>Supports DoD Business Enterprise Priority for Materiel Visibility</i>	Employs shared data to provide USMC with a timely and accurate asset posture, correct equipment readiness information, and total asset visibility, all in a deployed environment.
NTCSS	<ul style="list-style-type: none"> Optimizing Processes & Integrating Systems <i>Supports DoD Business Enterprise Priority for Materiel Visibility</i>	Provides crews of ships and aircraft squadrons with integrated management of equipment maintenance and repair, parts inventory, galley and ship's store operations, and personnel. Additionally provides intermediate maintenance activities afloat and ashore with information supporting workload planning and parts requirements.
TFAS	<ul style="list-style-type: none"> Developing Web-based Capabilities <i>Supports DoD Business Enterprise Priority for Personnel Visibility</i>	Provides Marines secure self-service personnel transactions, gives Marine Corps leadership timely, accurate personnel information
EA-21	<ul style="list-style-type: none"> Optimizing Processes & Integrating Systems Developing Web-based Capabilities 	EA-21 initiative utilizes technology and innovative concepts for the electronic creation and maintenance of procurement and contractual information. Minimizes the need for human intervention in the processing of requirements generation, payment and contract closeout. Lessens the number of days needed to process a procurement request and to receive, accept and certify an invoice. Benefits include: elimination of bottlenecks associated with manual paper-driven procurement processes, reduction of unmatched disbursements and prompt pay interest, and more efficient use of resources.
Navy Cash	<ul style="list-style-type: none"> Optimizing Processes & Integrating Systems Resource Optimization 	Performs pay delivery and enables cashless transactions for Sailors and Marines afloat, reducing requirement for onboard cash and lessening workload for shipboard disbursing and supply personnel. Easier, more accurate cash accountability, 24/7 access to hometown bank and credit union accounts for embarked personnel.
NMCI	<ul style="list-style-type: none"> Creating a Seamless Infrastructure 	Provides network-based enterprise information services to Sailors and Marines ashore, increased interoperability, greatly enhanced information assurance, PKI capability.
MC FII	<ul style="list-style-type: none"> Resource Optimization <i>Supports DoD Business Enterprise Priorities for Financial, Acquisition, Materiel, and Personnel Visibility and Real Property Accountability</i>	Provides accurate, timely, useful, and auditable financial information, enables discovery of "root causes" of deficiencies, enabling business process improvement.
AIT	<ul style="list-style-type: none"> Optimizing Processes & Integrating Systems <i>Supports DoD Business Enterprise Priority for Materiel Visibility</i>	Automated materiel inventory and tracking using proven technologies. Provides real-time status and location of materiel to operational and logistics decision makers. Other technologies improve physical security via common access cards, biometrics, and retinal scan.



Department of the Navy Priorities Linked to Targeted Outcomes, Milestones and Metrics

Table 7-3: Priorities Linked to Targeted Outcomes, Milestones and Metrics

DON Priorities	Targeted Outcomes	Milestones	Performance Metrics
Creating a Seamless Infrastructure	A global, secure, interoperable network integrating NMCI, ISNS, One Net and MCEN into the FORCEnet Network Information Infrastructure	NMCI Rollout (6/06)	NMCI seats cut over NMCI customer satisfaction
Creating Optimized Processes and Integrated Systems	Efficient business processes supported by systems integrated for end-to-end interoperability	ERP IOC (10/06) ERP – Retire NEMAIS (9/06) ERP – Retire SIGMA (9/07) ERP – Retire Cabrillo (9/07) GCSS-MC IOC (11/07) GCSS-MC FOC (3/08)	NAE – Aircraft Ready for Tasking Personnel - Fit to Fill Systems, applications, networks eliminated Process improvements / Reduced cycle time
Resource Optimization	Accurate, timely, useful and auditable financial information to support decision makers Retirement of legacy systems Implement Enterprise Software License Agreements	USMC FII IOC (9/06) USMC FII FOC (9/08)	Improved financial statement accuracy Systems, applications, networks eliminated # of ESI Agreements
Implementing Web-based Capabilities	A DON enterprise portfolio of web-centric solutions Common business practices delivered in net-centric form	Continuing	Servers consolidated Processes moved to the web
Aligning for Enterprise Transformation	Organizational alignment to integrate with DoD transformation activities and ensure top level oversight and direction of DON transformation initiatives	Standup of Business Process Transformation Council Standup up of ACNO-IT Organization	Various

Other Systems and Initiatives of Interest

Table 7-4 provides a list of other systems and initiatives that are important to the Component's mission but not necessarily considered transformational, some of which may require IRB certification.

Table 7-4: Other Systems and Initiatives of Interest

System Name	Acronym	Description / Purpose	Comment	Category
MSC Afloat Personnel Management Center	MSC APMC	Provides recruitment, training, time and attendance, medical, payroll and other human resource support functions for the Military Sealift Command's civilian mariners (CIVMAR), required to provide services not available to CIVMAR from DCPDS.	Required until CIVMAR human resource functions are available in DCPDS	Tier 2



System Name	Acronym	Description / Purpose	Comment	Category
NAVAIR Logistics Data Analysis	NALDA	System-of-systems providing comprehensive, accurate & timely aviation logistics data, analysis & reporting capabilities	NALDA will be replaced by DECKPLATE. DECKPLATE will in turn be subsumed by Navy ERP	Tier 1
Joint Engineer Data Management Information Control System	JEDMICS	Joint program serving Army, Navy, Air Force, Marine Corps and DLA activities manages over 80 million engineering drawings used to support maintenance, repair, procurement and re-engineering functions. Digital, on-demand access to information formerly contained on aperture cards and paper.	Joint program. Navy is Executive Agent	Tier 2
Ordnance Information System (was CAIMS)	OIS	Web-enabled set of vertically integrated applications for ammunition inventory positioning the naval ammunition community for assumption into the Global Combat Support System (GCSS) family of systems	OIS, or portions of OIS, will be integrated into or migrated to advanced ERP systems and/or Global Combat Support Systems (GCSS) when these programs are mature enough to accommodate the classified functionality	Tier 2
Electronic Military Personnel Record System	EMPRS	Navy component of the Defense Personnel Records Imaging System, single authoritative source for active, retired and archived service records necessary for various personnel actions, such as health care, mobilization, & advancement	Plans call for incorporation into DIMHRS	Tier 1
Marine Corps Enterprise Information Technology Services	MCEITS	MCEITS is a future Enterprise Information Environment Mission Area (EIEMA) system that will support the Business Mission Area as well as the rest of the USMC IT Portfolio. MCEITS will be delivered and managed as a service, which will relieve individual FAMS, commands and program managers of responsibility for building and sustaining self-contained IT infrastructure. Redundant expenditures on facilities, networks, databases, applications, and supporting personnel will be eliminated or significantly reduced by this provision of consolidated capabilities USMC-wide. MCEITS IT Centers instantiate an agile IT environment designed around net-centric services that provide a deployable, expeditionary, warfighting capability. Common software services will be delivered as reusable modules for all applications to use as necessary via industry standard transactional protocols. Within MCEITS, the Marine Corps will have a cohesive, integrated web environment for navigating both USMC and Joint information sources and applications.	EIE effort required to support other transformation and the DoD enterprise	EIE
Joint Aviation Technical Data Integration	JATDI	JATDI is a web-enabled fleet library management toolset for electronic technical information	Joint program. DON serves as Executive Agent	Tier 2



Chapter 8:

Department of the Air Force

Transformation Vision and Mission

The overall mission of the Air Force (AF) is to develop and use air and space power to defend the United States and protect our national interests. The AF organizes, trains, and equips force elements that fly through the air, operate on the ground, and traverse space in order to influence enemy and friendly activities. The concept of expeditionary forces, the long reach of satellites and systems of sensors, a network of airborne and ground-based command and control elements, and mobility, fighter, bomber and attack aircraft all integrate to make the vision of Global Vigilance, Reach, and Power a reality. In this global operation context, business and combat support processes are expected to provide fast, flexible, predictable support to the warfighter. We have developed an Agile Combat Support Concept of Operations to guide the transformation of these business and combat support processes and systems and have elaborated the details of our transformation in our Operational Support Modernization Program (OSMP). The program is aimed, not only at modernizing systems, but also at transforming Air Force business processes, personnel skills, and organizations.

The AF **Operational Support (OS) transformation vision** is to create capabilities that **provide rapid and predictive Operational Support and response through situationally aware Commanders.**

The Operational Support Modernization Program mission is to:

- Ensure the **seamless integration** of AF command and control, combat support and Business Capabilities.
- **Guide, rationalize, coordinate and integrate** existing and future AF wide transformation initiatives.
- Ensure that **consistent methods are employed across the warfighting and support areas** for concept of operations development, operational capability identification and risk analysis, as well as solution definition and implementation.

Transformation Goals and Strategy

Our shared Operational Support enterprise transformation **goals** are to:

- First, improve warfighter effectiveness by fashioning fast, flexible, agile, horizontally integrated Operational Support processes that enable fast, flexible, agile and lethal combat forces.
- Second, achieve increased efficiencies that will allow Operational Support to return resources toward the recapitalization of the AF weapon systems and infrastructure, return Airmen to core missions, and increase the job satisfaction of the workforce.

The corresponding **strategy** is to:

- **Focus Operational Support on improving joint warfighter effectiveness** integrating high value operational threads across domains and across combat and non-combat functions.
- **Set common goals and priorities** across the Operational Support AF enterprise.
- **Re-engineer critical processes**, identify and prioritize processes for improvement, and redesign them wherever they fall short of the immediate or long-term expectations
- **Move systems into a modern, information framework.** Leverage existing initiatives of the AF and OSD, synchronize and accelerate them to achieve transformation.
- **Harvest resources to complete Operational Support transformation** and support modernization of Air Force and Joint capabilities.

Transformation Environment

The environment in which we are transforming is characterized by the following factors:

- *Combatant Commanders and Joint Staff reliance on interoperability of forces:* Joint concepts are driving the need for better interoperability in all areas of Combat Support, enabling agile joint operations.
- *Changing nature of threats, perception of future threats and ability to respond:* we adapt to asymmetrical, unconventional and increased homeland threats, which shape the future Operational Support. Changing missions require different competencies, skills, training, materiel and increased decision and process speed.
- *Implementation of the President's Management Agenda and Office of the Secretary of Defense priorities:* Our transformation initiatives map to the President's Management Agenda and Office of the Secretary of Defense priorities for better vertical integration. We also leverage joint initiatives to complement our Service transformation initiatives
- *Budget pressures over time, exacerbated by the cost of war:* The pre-eminent position of the United States in maintaining world safety has engendered the need for multiple military, peace-keeping and humanitarian operations. This long-term high operations tempo taxes our people and materiel beyond the immediate resources appropriated by Congress and the AF's need to operate, sustain and recapitalize simultaneously.



- *Executive, Congressional and Public scrutiny:* the Armed Forces are experiencing heightened visibility and scrutiny, and must consider transparency and accountability in all their decisions.
- *Communications and information technology are creating new opportunities and dependencies impacting people, processes and costs:* new technologies are opening new possibilities in positioning our resources and executing our processes. The AF can change job content, automate processes and decision support, centralize core expertise, disseminate knowledge and outsource services in new ways. With these opportunities comes the need to address threats rooted in our dependence on technology and the low cost of hostile cyber-attack.
- *Industrial globalization is driving competition for people and assets:* DoD and the AF need to remain competitive as employers and as industrial partners to ensure future access to the best and to the brightest employee resources. The US government should explore opportunities created by private sector pursuit of de-localization efficiencies within national security constraints.

Air Force Transformation Priorities

We are pursuing the following priorities to achieve OS transformation:

- 1) *Global synchronization of supply chain (people, materiel, installations) and integration with the Operations community:* Improved Operational Support will be achieved through a better synchronization of all of the resources needed to create a capability: people, materiel, installations, information or funds. Increased effectiveness will also proceed from an improved definition and communication between the Operations and the OS communities. To achieve this, we will take a holistic approach to the components of capabilities, upgrade our processes and information technology and improve the requirements and feedback loop with Operations.
- 2) *Better merge mission profile, supplies and equipment, and people to strengthen total weapon systems / force management:* OS will be more agile and more effectively support new missions when the dependencies between the mission profile and the capabilities needed are defined to the appropriate level of detail in materiel and human terms. To achieve this, we will improve modeling and simulation, improve the link between missions and capabilities and between capabilities and actual resources needed.
- 3) *Focus on real-time command and control, decision support and predictive analysis:* OS will be made more effective through an acceleration of the information flow to and between Commanders and civilian leaders, an improved information quality, an ability to present decision makers with decision support and alternatives and an ability to show cause-consequence relationships projected in the future (predictive analysis). To achieve this, we will simplify and accelerate our processes, upgrade our information technology and information quality to create the models needed for prediction.
- 4) *Leverage spend activities and more effectively use industrial partners:* Improved efficiency of OS will be achieved by better leveraging the dollars spent with industry, leveraging our buying power across DoD and other agencies as well as



privatizing tasks where industry has a competitive edge. To achieve this, we will better manage our supplier base, maintain adequate sources for materials and services, partner with industry, pay for performance, standardize requirements and methods and evaluate mission needs. We will upgrade our processes, policies, project management techniques and information technology.

- 5) *Focus on delivery of Commanders' resource management capabilities versus low value-added transactional activity:* OS can return resources to core missions and warfighting by doing away or automating repetitive transactional tasks. Commanders can be made more effective by leveraging a smaller cadre of expert advisory resources. We will achieve this by re-engineering our processes, reorganizing, modifying our policies, retraining our personnel and our Commanders, redefining jobs and recruitment criteria and upgrading information technology.
- 6) *Re-engineer, share service organizations, standardize processes, regionalize support and deliver services globally:* OS will be improved by leveraging modern technologies to reduce the barriers of time and space in delivering services. New services can be provided at low cost by combining activities, providing regional or global support centers, and by moving to on-line self-service delivery models. We will reorganize, adopt Internet, call center, workflow, and other technologies, modify our policies and increase self-accountability.
- 7) *Treat people as the most important resource (quality of life, quality of workplace, family housing):* OS and operations will be more effective and efficient with a satisfied, empowered, stable total force of military, civilian and contractor personnel. This strategy will be implemented through benefits, workplace and family programs, change management strategies, changes in processes and personal accountability, changes in contracting, training and education of our military and civilian leaders.
- 8) *Change culture to optimize performance of enterprise (align goals and metrics to focus on enterprise performance, continuous improvement.):* OS will be more effective and efficient when a culture change is effected that reinforces personal accountability for results and measures performance for the total AF / Joint Commander rather than for the individual unit / command / specialization. We will achieve this through change management, communication of leadership intent, education, new metrics, new performance evaluation systems and criteria, and improved alignment of the goals of senior leaders.
- 9) *Instill more discipline and credibility in development and delivery of capabilities:* OS will improve the development of new capabilities through better requirements management, programming, planning and program execution. This will be accomplished by formalizing expectations, setting standards for program management, accelerating the feedback loop to identify issue areas and improving accountability for requirements, development, delivery, and fielding. It will require enhancement of our processes, policies, project management techniques and information technology.

The initiatives of the AF supporting these priorities, and the capabilities that will be created, are documented in Table 8-2.



Detailed Transformation Goals

Our first goal, **Improve warfighter effectiveness** has been further defined as:

- Supporting the increased operations tempo through an integrated workflow.
- Providing decision-quality information to our Commanders by sharing authoritative data.
- Providing predictive visibility to our Commanders.
- Designing and delivering Airman-centric and Commander-centric processes.

Delivering warfighter support capabilities involves bringing together well-trained people, ready equipment and appropriate support infrastructures. We use the seven Air Force Concepts of Operations (AF CONOPS) as the conceptual framework to develop statements of needed capabilities to support the joint warfighter. Figure 8-1 shows that the AF CONOPS are aimed at Global Power, Global Reach and Global Vigilance. Of the seven, the Agile Combat Support CONOPS spans the spectrum of Air Force activities. Figure 8-2 shows the OS enterprise described in the Agile Combat Support CONOPS.

Figure 8-1: Air Force Concept of Operations



Figure 8-2: Operation Support Enterprise



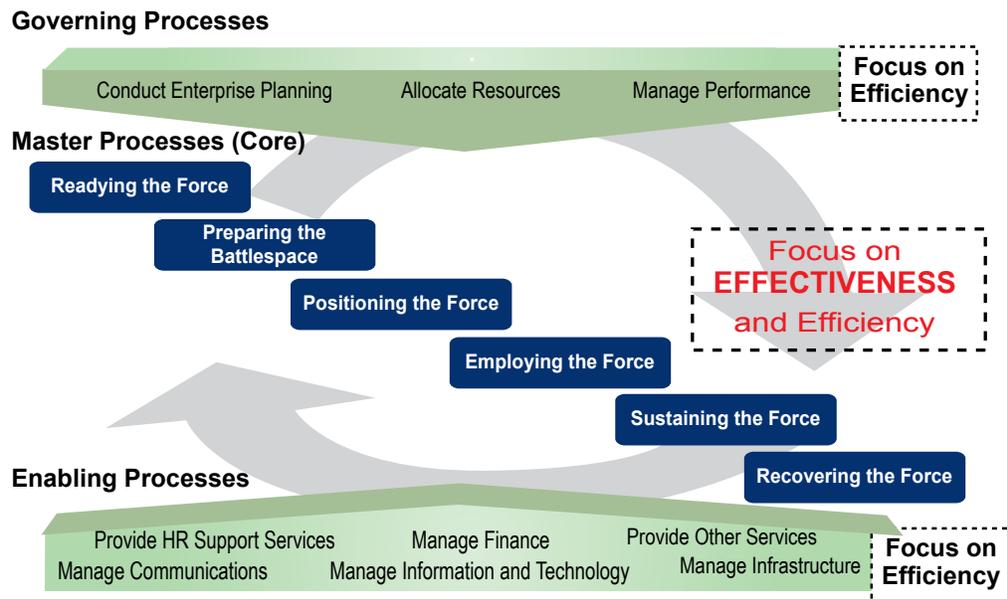
The master processes reflect the preparation and use of our forces (Ready the Force, Prepare the Battlespace, Position the Force, Employ the Force, Sustain the Force, Recover the Force). These processes are the core targets of Air Force Operational Support transformation, the areas where we want to assure effectiveness. Other processes, such as domain resource management, are carried as enabling processes and are prime targets for efficiencies.

Our second goal, **Generate efficiencies** has been further defined as:

- A 10% shift in business resources to combat operations and modern systems.
- A compression of average process cycle time by a factor of four.
- A 20% increase of velocity of people and equipment to Combatant Commanders.
- A broadening of the jobs of our Airmen and improvement of their empowerment.
- A reduction of the workload of our Airmen to an average of 40 hours per week in non-crisis situations.

The relationship between core and governing/enabling processes is captured in Figure 8-3.

Figure 8-3: Air Force Process Model and Transformation Focus



Narrative: Key Transformation Areas

Operational Support Modernization Program (OSMP) Governance

The OSMP provides an integration framework for all the OS transformation efforts. This framework covers the governance, architectural, information technology, and change management aspects of transformation. A brief summary of each aspect follows:

Governance Model and Leadership Involvement in Transformation

We continuously strive for both incremental and revolutionary improvements. To implement the vision provided by key senior civilian and military leadership, we established institutional governance mechanisms that allow continuity of focus. The **Commander’s Integrated**

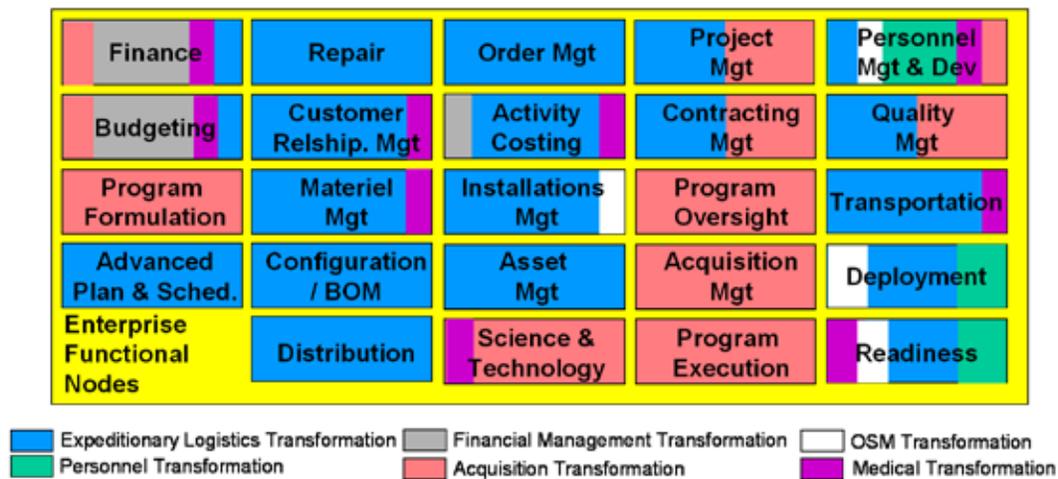


Product Team (CIPT) is composed of senior military and civilian leaders of the Air Force at 3-star level, who represent our Major Commands, the Air Staff and the Air Force Secretariat. This comprehensive representation allows the CIPT to tackle complex issues affecting all of the Components of the Air Force. The CIPT is an active senior management group, preparing doctrinal, policy, organizational, and financial decisions associated with the AF transformation for final approval of AF leadership. The Air Force Secretary and the Air Force Chief of Staff review the work of the CIPT on a frequent basis and our Major Command Commanders provide feedback and guidance at each of the 4-star CORONA meetings, held four times a year.

Operational Support Enterprise Architecture (OSEA)

The OSEA allows us to integrate multiple efforts, within the AF or with DoD and aligns directly to the DoD Business Enterprise Architecture. One component of this architecture is the concept of functional nodes, derived from the commercial sector. Enterprise functional nodes represent a classification of process and system functions to be accomplished in support of DoD and AF transformation. Figure 8-4 shows the relationship of our key transformation efforts with these nodes, showing the areas where processes and technology need to be coordinated to support multiple transformation efforts.

Figure 8-4: Enterprise Functional Nodes and Transformation Initiatives



Information Technology Strategy

The information technology strategy will pursue two main goals: broadening our common technological platform and simplifying our systems environment.

Common Technology Framework – Global Combat Support System Air Force

The transformational initiatives of the AF rely on a common set of technical capabilities. The Global Combat Support System Air Force (GCSS-AF), a comprehensive technology framework delivers:

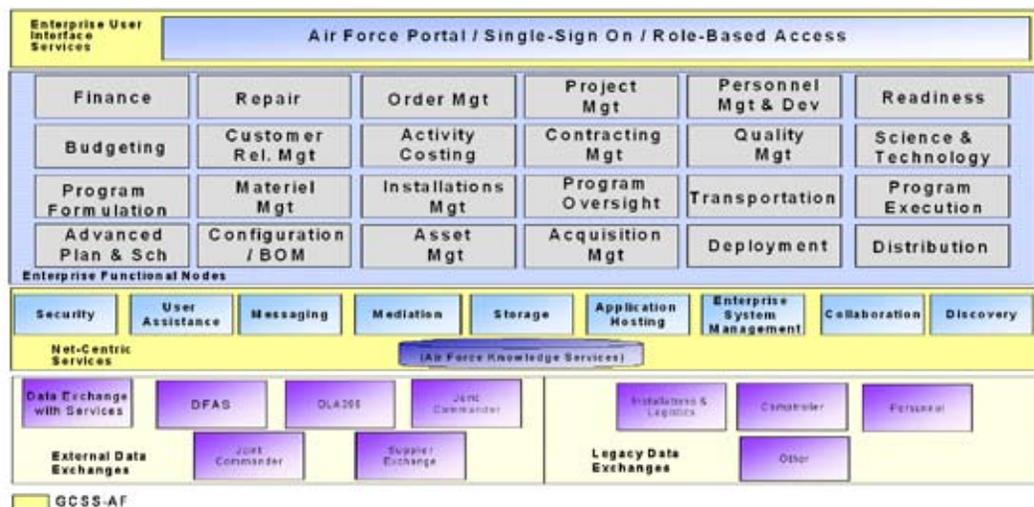
- Net-Centric services anywhere to our Airmen.



- Authentication and secure authorization of users over classified and unclassified networks.
- Continuous and secure hosting of the systems and applications.
- Storage of information for retrieval and analysis in data warehouses.
- Delivery of analytical and collaborative tools to our Airmen.

GCSS-AF is part of the DoD Global Information Grid (GIG). Figure 8-5 shows the services and applications that are available or will be available in the GCSS-AF environment, as well as the bridges to other Defense Agencies and Services.

Figure 8-5: Enterprise Functional Nodes and Transformation Efforts



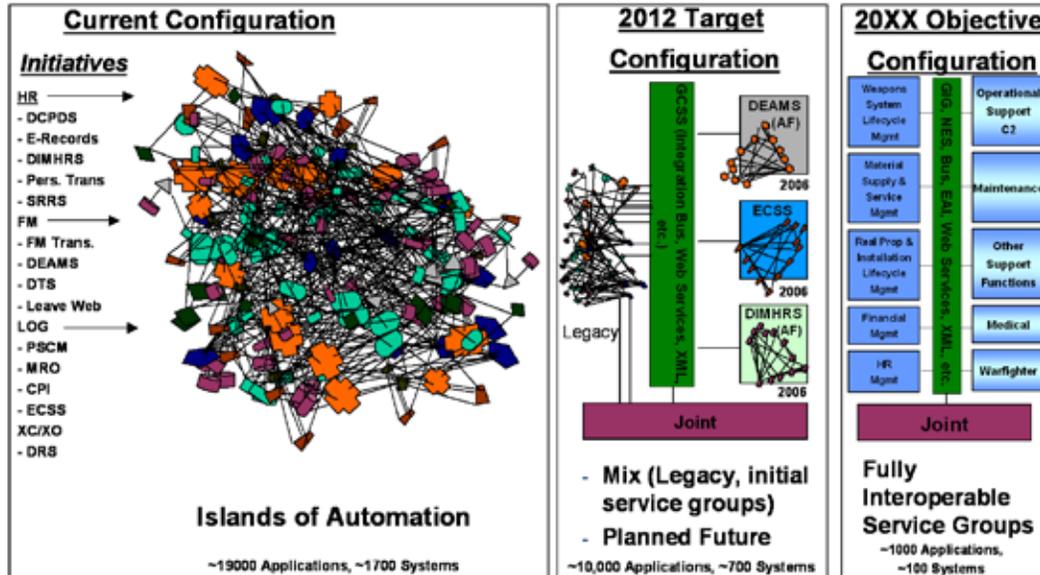
Rationalizing our systems environment

Over the decades, the complexity of our information technology environment has grown. Individual modernization programs have resulted in the creation of many islands of automation. To transform, the AF will move in several steps from a patchwork of systems to an integrated delivery of information technology functions. The stages of evolution will be:

1. **Leveraging our common technology framework:** port information to an enterprise service bus to exchange data between systems and have Airmen access that information via the AF Portal.
2. **Leveraging Commercial Off-the-Shelf (COTS) software** of the Enterprise Resource Planning Class (ERP) – this type of software, two of which are planned with the AF, groups and integrates functions previously dispersed in hundreds of separate applications.
3. **Design future government systems around fully interoperable service groups,** allowing the exchange of information within the AF, with DoD and with other Services / Components. Figure 8-6 illustrates this planned evolution.



Figure 8-6: System of Systems Evolution



Information Technology Portfolio Management and Program Execution

Using the blueprints of our transformation areas and the documentation of the existing and desired states provided by our architecture (OSEA), the AF is building the capability to analyze and prioritize information technology portfolios across traditional functional boundaries, and to better leverage the resources invested in information technology. The portfolio management process will also reinforce organizational measures within the AF, such as grouping the responsibility for developing and fielding OS systems under a single command, the Air Force Materiel Command Operational Support Systems Wing. This will allow requirements from multiple sources to be analyzed at a single point, and to prevent duplication of effort.

Change Management

The AF is very conscious of the magnitude of the change that OS modernization will bring to our Airmen and Commanders. To prepare our force, each of the key transformation initiatives has a deliberate change management plan, in addition to the overarching change management and leadership involvement approach included in the OSMP Program. The AF will support transformation through extensive communication and dialogue, targeted training and the development of new skills. The impact on our workforce will be regularly evaluated through surveys and Voice of the Commander mechanisms.

Metrics

To support cultural change, increase accountability and foster behaviors that promote change, the AF is developing enterprise metrics that will allow us to track the progress of transformation—in individual programs but also at Service level.

These OS Enterprise governance processes provide the mechanisms for the Air Force to integrate the individual transformation threads. A brief summary of each thread follows:



Installations, Logistics and Environment:

eLog 21: 20% increase in equipment availability and 10% reduction of O&S costs over FYDP

These goals represent the approved objectives our Expeditionary Logistics for the 21st Century (eLog21) transformation campaign. eLog21 represents the AF's commitment to boldly transform logistics processes to better support the warfighter. eLog21 also represents an approach to transformation that cuts across stovepipes, thus eliminating burdensome processes and legacy systems used AF-wide. To achieve these goals, the AF Deputy Chief of Staff for Logistics (AF/IL) and the Assistant Secretary of the AF for Installations, Environment and Logistics (SAF/IE) have developed a future state operational architecture using commercial benchmarking and lean process improvement that will better integrate and synchronize logistics support to Air Expeditionary Forces. Just as our expeditionary force presentation, packaging and tasking are evolving as a global process, we plan to shift some management integration functions to the operational vice tactical levels and manage our logistics assets and capabilities at the global enterprise level to ensure that the AF always gets the right stuff to the right place at the right time. At the same time, the AF will better utilize both our organic and industry capacity, reducing operational costs, improving support, reducing mobility footprint, and eliminating stress on our workforce. There are 21 inter-related, comprehensive initiatives that make up the overall campaign plan predominately enabled by a major IT project, the Expeditionary Combat Support System (ECSS) that will eliminate over 500 unique logistics IT systems.

Model Installations, improved services, and environmental excellence

Our goal is to provide, operate, and sustain in a cost-effective manner the installation assets and services in the condition and capacity necessary to deliver responsive, persistent and effective combat operations. Objectives include developing comprehensive installation plans and a programming strategy to ensure that our physical plant and infrastructure (e.g., built, natural, workforce) meets acceptable standards (code) and operational capability. SAF/IE is transforming service support (feeding, childcare, lodging and morale, welfare and recreation activities) to our people at home and deployed through an initiative called Non-appropriated Fund Transformation (NAF-T). The initiative is a four-phased, multi-year project to provide improved systematic delivery of products and services to create enhanced value to the people at home and at deployed locations. This lean Enterprise-wide business vision includes centralization of financial function in a shared service center, point of sales modernization, supply chain and customer relations management across the Services domain. SAF/IE is bringing an operational focus to environment, safety and occupational health management by moving from a largely reactive, compliance-oriented approach to managing our natural and workforce infrastructure to mission capability along the same lines as the built infrastructure. Managing all our installation assets as an integrated capability will enable the AF to continue to safely operate, train, and live in the locations that the AF needs and in manner that meets our overall mission goals and continues to assure the health and safety of our people, our community and our ecology.

The transformational initiatives further detailed in this document supporting these goals are: Automated Civil Engineering System (ACES), Expeditionary Combat Support System (ECSS), Enterprise Environmental Safety and Occupational Health Mgmt Info Sys (EESOH-MIS), Enhanced Technical Information Management System (ETIMS) and Non Appropriated Funds Transformation (NAF-T).



Financial Management

Move from transactional services to world-class decision support and financial services at reduced costs

Financial Management (FM) transformation aims to reduce manual transaction processes, freeing our financial managers' time to provide more analysis and decision support to commanders. FM transformation is composed of changes to the way financial management services are delivered as well as three key strategic priorities. Three major innovations/initiatives form the core of the future FM Service Delivery Model:

Financial Services Delivery Transformation

The AF will provide improved financial services to Airmen and decision makers by transforming how these services are delivered. Airmen and their civilian counterparts will be able to receive personal service by way of multi-channel support that migrates from predominately face-to-face transactions towards web-based customer self-service and a 24/7 modern call center while retaining limited face-to-face support at each base. This transformed service will be available 24/7 from virtually anywhere and will provide improved financial services to the warfighter at a lower cost. This initiative also includes creating a shared services environment that centralizes "back shop" transaction processing from 84 bases to a centralized location. Another significant benefit of this transformation initiative is integration with other similar communities such as Personnel. This allows for creation of shared service centers, reengineered processes from an integrated perspective rather than a single stovepipe approach, and synergies in creation of call centers.

Financial Advisor Transformation

Similar transformation is taking place through reengineering processes and reorganizing to increase the availability and technical competency of financial advisors to improve decision support for commanders and decision makers. As we migrate from traditional transaction processing, we can realign some of the saved resources to providing improved analytical support to the warfighter. Deployment of a modern financial system will provide accurate, reliable and timely financial information that can be analyzed and decision recommendations formed by well-trained Financial Advisors aligned to each organization.

Operations and Maintenance (O&M) Center of Expertise

To improve our capacity to facilitate sound resource judgments at the base and MAJCOM level through more detailed analytics, we are establishing an O&M Center of Expertise (CoE). The CoE analytical services will provide (1) on-demand consultant support to installation and MAJCOM comptroller staff; (2) clear, unbiased analysis to financial management customers at installation and MAJCOM level; and (3) expert training to enrich the financial community's ability to offer analytical support for critical resource decisions. Experts will provide new insights on operations and maintenance costs, and our comptrollers will have better tools for advising local AF commanders on effective and efficient operations.

Decision quality business information leading to financial compliance

The AF is integrating business activities in such a manner that business transactions are reflected in financial systems in a seamless and timely manner. The primary objective is to



provide accurate, reliable and timely information to decision makers. We strongly believe that decision quality financial information coupled with world-class analytical support will allow commanders and other key decision makers to make the optimum choices for the warfighter. This business integration is taking place through architectural, process, and systems efforts that are coordinated within the AF governance process. Our **Air Force Information Reliability and Integration (AFIR&I)** program is a multi-year effort that involves every major functional area in the AF. This detailed plan outlines the specific actions required to provide accurate, reliable and timely information. A major element of our modernization efforts will be the implementation of the **Defense Enterprise Accounting and Management System (DEAMS)**, a COTS-based, integrated accounting system. We are also replacing decades old budget systems through our **Financial Information Resource System (FIRST)** and **Automated Funds Management (AFM)** capabilities. The by-product of these multiple activities will be compliance with the various laws related to financial management such as the Chief Financial Officers Act and the Financial Management Improvement Act of 1996. The affirmation of accurate, reliable and timely financial information will be auditable financial statements. **Performance-Based Budgeting** will integrate strategy, performance, and metrics into programming, budgeting and execution decisions, and will evaluate outcomes against established targets. And an improved **Acquisition Cost Capability** that is sufficiently resourced to provide credible cost analyses based on quality data, objectivity, and realistic program baselines so decision makers can better balance war fighting requirements, available resources, and risk considerations.

The strategic initiatives further detailed in this document are: Financial Management Service Delivery Model (FM SDM(i)), Air Force Information Reliability and Integration (AFIRI(i)), Defense Enterprise Accounting and Management System (DEAMS-AF), Financial Information Resource System (FIRST).

Personnel, Manpower, Training and Education

Delivery of personnel services via a new service delivery model

The AF will transform the current process-driven personnel system to provide maximum force support to commanders and airmen—whether in garrison or deployed. To do this, the AF has established the Personnel Service Delivery initiative to revamp our service delivery model by transitioning from primarily face-to-face services to leveraging the web using current systems and migrating to DoD systems where applicable with face-to-face services only where necessary. This vision includes a ‘one-stop’ Total Force services center, delivering services 24/7/365 to active duty, guard, reserve, civilian, family members as well as retirees. This mission-driven Total Force personnel service delivery model will:

- Allow personnel professionals to provide effective, efficient and timely services,
- Enable Airmen to make well-informed decisions regarding their professional responsibilities, personal careers and the welfare of their families by giving them the tools and expert information they need
- Improve commanders’ access to personnel records and decision documents.

At the same time, this will enable personnel professionals to shift their focus from transaction processing to advising commanders and concentrating on their core business - developing, sustaining and renewing the force. While aspects of the Force Development goal can move concurrently with transforming personnel service delivery, full realization cannot be achieved without successfully implementing PSD.



Implementing the force development construct

The AF is transforming the way it develops people. Through the Force Development construct, the AF will deliberately develop Airman competencies and integrate them with technology, strategy and tactics to produce required operational capabilities and effects. This deliberate development begins with recruiting the right mix of active, reserve and civilians to meet requirements and sustain capabilities. The new construct will deliver the necessary skills and enduring leadership competencies by concentrating on experience, education and training at the right time, and optimization of the time available in a career to develop Airmen. The experiences and challenges, combined with education and training opportunities, will produce Airmen with the requisite skills, knowledge, experience and motivation to lead and execute the full spectrum of AF missions.

Air Force Enterprise Learning Architecture

The AF is developing an Enterprise Learning Architecture (ELA) to provide a clear and comprehensive picture of technology-based education and training capabilities crossing both functional and organizational mission areas. ELA will fully describe both “as-is” and “to-be” technologies supporting AF learning environments, and will provide the foundation for framing future capital investment priorities. It is important to emphasize that ELA is not a system or computer based program. ELA is focused on providing a cost-effective, capabilities-based education and training infrastructure throughout the AF to support the core Force Development objective—right Airman, right place, and right time. ELA will consolidate various enterprise architecture initiatives currently underway and reuse information whenever appropriate. Some of the current efforts that are related to education and training include: AF Integrated Learning Environment (ILE); Student Registration and Records System (SRRS); Joint Knowledge Development and Delivery Capability (JKDDC- OSD Training Transformation) and Education and Training Technology Application Program (ETTAP).

Manpower Programming and Execution

The Manpower Programming and Execution System (MPES) initiative has reengineered AF Manpower business processes to better serve our Commanders in fielding the force in the 21st century. Earlier this year, AF merged two legacy systems into one web-based initiative, leveraging the advantages of a GOTS product proven by the US Army to create MPES, our new, single manpower program and execution system of record. MPES allows for complete tracking of all manpower resources from the Future Year Defense Plan through the execution by the Major Air Commands on their Unit Manpower Authorization File. The results provide AF with a capability to have complete, real-time visibility of our manpower status, which gives commanders more flexibility to change.

The strategic initiatives further detailed in this document are: Personnel Transformation (PERSTRANS(i)), Manpower Planning and Execution System (MPES-DP), Air Force Recruiter Information Support System (AFRISS), and Advanced Distributed Learning System (ADLS).

Acquisition

Agile Acquisition: Speed and credibility in delivering technology to the warfighter

We have established goals for a 4:1 acquisition cycle time reduction and increased confidence in our program estimates. Our findings in implementing Agile Acquisition highlighted that historically we designed programs with a 60-70% confidence level of meeting cost, schedule



and performance goals. To build credibility with both Users and Congress, we must set ourselves a goal of having at least a 90% confidence level in meeting our commitments. Accurately assessing our confidence levels requires a disciplined risk assessment program. This goal represents the catalyst for the Agile Acquisition transformation efforts. Agile Acquisition is our commitment to boldly transform acquisition processes to better support the warfighter. In order to achieve these goals, the AF is mapping the current “as-is” acquisition architecture state and is developing a future acquisition architecture state, leading to a gap analysis to define future transformation initiatives. Moreover, a responsive technology and development process must deliver quick, effective warfighter capabilities to defeat current and projected, even asymmetric, threats. To meet these goals requires an agile, flexible workforce with a continuous process improvement culture and mindset. Major AF acquisition transformational initiatives are grouped into: Science and Technology, Program Management & Oversight, Sourcing (which covers eCommerce discussed in the next paragraph), and Test and Evaluation. As part of the effort, initiatives and enabling IT systems within each category will be mapped to the enterprise architecture and will be designed to support the end-to-end Agile Acquisition process and system of the future.

eCommerce – Efficiency and business intelligence in acquiring goods and services

AF procurement transformation is responsible for implementing the AF Contracting Vision to provide Agile sourcing through innovative strategic solutions developed by multi-skilled professionals who anticipate and deliver warfighting capabilities. The vision will be accomplished through the implementation of several strategic initiatives such as commodity councils, new pricing efforts, Purchasing and Supply Chain Management, and a major re-write of our MAJCOM supplements and Air Force Instruction 63-102. These initiatives will better support warfighters and customers; meet warfighter and taxpayer financial expectations; improve our contracting processes, and cultivate development of our diverse workforce. Another strategic initiative, the enterprise architecture for procurement, is designing the end-to-end eProcurement process and system of the future. AF eProcurement initial focus is to enable business transaction and intelligence components. Future efforts will complete the development by including the remaining business components (e.g., financial management, logistics). This will support strategic sourcing as embodied in the Commodity Council concept, which will implement Enterprise-wide procurement strategies, integrate customers and suppliers, drive commonality and standardization, and leverage purchasing volume.

The strategic initiatives further detailed in this document are: Air Force Research Laboratory Enterprise Business System (EBS), Program Management and Oversight Transformation (PMO(i)), Sourcing (Sourcing(i)) Transformation and Test and Evaluation (T&E(i)) Transformation.

Air Force Medical Service

Homeland and expeditionary mission redesign

Support for the Air Expeditionary Force (AEF) represents the core of our deployable medical capabilities. These deployable medical capabilities come from either active duty-staffed medical treatment facilities or reserve or guard units. If they come from an active duty medical treatment facility, residual medical capabilities must be maintained. In order to provide balanced medical capabilities to each AEF, it is important to clearly define the medical capabilities required for an AEF and ensure that each AEF has the same capability. Additionally, each medical treatment facility needs to define required baseline capabilities to support their



in-garrison beneficiary population and determine how to meet those capabilities when deployable forces are not available. In addition to balancing capability, the Air Force Medical Service (AFMS) will encourage innovation to develop lighter, leaner, and more life-saving medical capabilities. The AFMS will develop an investment strategy designed to balance capabilities and innovate to maintain cutting edge health service support. Medical treatment facilities are also part of a local health care disaster network. As such they must be integrated with community health surveillance and communication systems to facilitate rapid dissemination of information. The AFMS ensures a capability to detect, identify, and assess the health effects of chemical, biological, radiological, and nuclear events. Finally, the AFMS must be able to manage the full spectrum of anticipated healthcare emergencies. The AFMS is partnered with the other Military Services in a number of DoD-wide initiatives to support this goal. Two examples would be: (1) Theater Medical Information Program: An information technology system that supports the medical readiness of deployed combat forces with capabilities to support inpatient and outpatient care, blood status, medical surveillance, tracking medical supplies, occupational and environmental health, patient tracking through Air Evac system. (2) CHCS II/Theater: DoD-wide system for seamless healthcare provider access to patient/healthcare data and information to manage worldwide medical care in-garrison and in-theater.

New care management model

Healthcare trends that will have a significant impact on the future of the AFMS include the rising cost of healthcare, changing demographics of enrolled beneficiaries, rapidly improving medical technology, and widely distributed medical knowledge. All will have an impact on cost. Improving technology and medical knowledge offer both great promise and growing threats that will need to be addressed. The AFMS operates the AF component of the Military Healthcare System. This includes preventive, primary, emergent, and restorative care capabilities. The AFMS must meet its obligations to the Military Healthcare System and its enrolled beneficiaries. The beneficiaries to the Military Healthcare System are changing; longer life expectancies and emphasis on keeping AF personnel through a career means the beneficiary population will be older. Pressure to reduce defense budgets will require a hard look at existing programs that are not core defense competencies; these programs will likely include DoD entitlement programs such as healthcare. The AFMS will shape its future by offering unique capabilities to the AF and DoD. The Tele-health initiatives, specifically Tele-radiology has made significant strides in this area. The AFMS is partnered with the other Military Services in DoD-wide initiatives to support this goal. An example is Defense Medical Human Resources System internet (DMHRSi): A web-based Tri-Service human resource management system which allows ready access to essential manpower, personnel, labor cost assignment, education & training, and personnel readiness information across the MHS enterprise. It supports the ability to provide the most effective mix of AFMS personnel (Active, Guard, Reserve, Civilian, and Contractor) and optimize Active and Reserve Component integration at the operational level. It leverages the unique strengths of each AF component to increase combat effectiveness while improving efficiencies and productivity. At the core is the retention and conservation of critical human resources. Also extensive work is being done in the standardization of health care information for sharing across the entire spectrum of healthcare needs for beneficiaries. DoD/VA patient information sharing is an example. The Electronic Medical Record initiatives (EMR), which is part of the Composite Health Care System II, is another example.



Operational Support Enterprise Lean Re-engineering

The AF has identified 3 high-value areas for process re-engineering: Deployment Management, OS Command and Control and Full Spectrum Threat Response. Process Champions have been assigned with the authority to re-evaluate these processes across all AF functions and commands, and to prepare new policies, rules, process and information flows to improve effectiveness and efficiency. The AF is also in the process of establishing a new center for process excellence that will develop, with the support of industry, the cadre of trained personnel needed to support scaling up our process re-engineering efforts. These initiatives are further described in the Enterprise Lean Re-Engineering initiative (ELR-i).

Component Business Transformation Initiatives

The Air Force is investing in a number of initiatives across the DOTMLPF spectrum that will deliver the Transformation Priorities detailed earlier. Many of these initiatives also support one or more of the DoD Business Enterprise Priorities. Some initiatives are focused on a single priority, while others address several priorities simultaneously. Initiative or System Workbooks, including General Information, Using Component, Key Milestones, and Costs and Budget, have been prepared for each listed initiative. For Systems that are slated to replace one or more legacy systems, the Workbooks also contain a systems evolution chart.

We are continuing to use our governance process to identify cross-domain process and integration requirements to increase combat forces effectiveness and efficiency. Additionally, process reengineering will extend the work of the functional domains and integrate business systems support to Joint warfighter command and control. These tables and workbooks lay the foundation for future investigation.

Table 8-1: Supported Priorities Reference

Reference	Component Priorities
AF1	Global synchronization of supply chain (people, materiel, installations) & integration with the Operations community
AF2	Better Merge Mission Profiles Supplies, Equipment and People
AF3	Focus on real-time command & control, decision support & predictive analysis
AF4	Leverage spend activities & more effectively use industrial partners
AF5	Focus on delivery of Commanders' resource management capabilities vs. low value-added transactional activity
AF6	Re-engineer, share service organizations, standardize processes, regionalize support & deliver services globally
AF7	Treat people as the most important resource
AF8	Change culture to optimize performance of enterprise (Align goals & metrics to focus on enterprise performance, continuous improvement.)
AF9	Instill more discipline & credibility in development & delivery of capabilities

NOTE: The numbering of priorities is for convenience only and does not indicate a ranking or a sequence of execution.



Reference	Enterprise Priorities
BEP1	Financial Visibility
BEP2	Acquisition Visibility
BEP3	Materiel Visibility
BEP4	Real Property Accountability
BEP5	Common Supplier Engagement
BEP6	Personnel Visibility

Table 8-2: Transformation Initiatives

Acronym	Initiative Name	Supported Priorities	Business Capability Provided
ACES	Automated Civil Engineering System	AF1, AF2, AF3, AF5, AF6 BEP1, BEP5	Resource tracking and critical decision making in the management of seven CE flights: Operations, Engineering, Housing, Resources, Readiness, Explosive Ordnance Disposal (EOD), and Fire.
ADLS	Advanced Distributed Learning System	AF7 BEP4	<p>Policy, guidance and a repository of government-owned courseware available to all government agencies, and provides training to government employees and Military Services at economies of scale</p> <p>All mobility and combat readiness training for Air Education and Training Command as well as certain courses for the US Army; including DoD mandated courses</p> <p>Flexible training solutions and a streamlined method of tracking and managing the conduct of training.</p> <p>Automation of career field training records for participating Defense Agencies to reduce record-keeping workload, and provides greater visibility into career training for commanders.</p>
AFIR&I	Air Force Information Reliability and Integration Action Plan	AF3, AF4, AF5, AF8 BEP1	Significant improve availability and reliability of financial information of auditable quality
AFRISS	Air Force Recruiter Information Support System	AF3, AF6, AF7 BEP4	<p>Recruiting, Job Assignment</p> <p>Flow and Trend Analysis, Congressional Inquiries support</p>



Acronym	Initiative Name	Supported Priorities	Business Capability Provided
EBS	Air Force Research Lab Enterprise Business System	AF2, AF3, AF4, AF6	<p>Faster technology transition to the warfighter.</p> <p>Collect, process, and disseminate timely, accurate information in the hands of appropriate decision makers.</p> <p>Leading the discovery, development and integration of affordable warfighting technologies for our air and space force by focusing on faster technology transfer, horizontal integration, Enterprise-wide capabilities and transformation of the entire Lab.</p>
PM&O	Program Management and Oversight	AF2, AF3, AF4, AF6, AF9 BEP2	<p>An integrated business environment supported by a Portal/workspace that provides an integrated set of tools and information.</p> <p>Supports work within and across programs</p> <p>Provides information through the acquisition chain to the PEO, SAE, and DAE.</p>
Sourcing (i)	Sourcing	AF4, AF6, AF9 BEP6	<p>Support DoD and Federal initiatives that comprise the Integrated Acquisition Environment (IAE).</p> <p>Deploy the DoD Standard Procurement System</p> <p>Deliver Contracting Business Intelligence and Electronic Commerce.</p>
T&E(i)	Test and Evaluation	AF2, AF6, AF9	<p>Streamlined test operations to reduce cost and more efficiently use available test resources including assets, aircraft, facilities, and ranges</p>
DEAMS-AF	Defense Enterprise Accounting and Management System—Air Force	AF3, AF4, AF5, AF6 BEP1	<p>Integrated general ledger, accounts payable, accounts receivable and decision support functions</p> <p>Incorporating industry leading business practices.</p>
ECSS-IL	Expeditionary Combat Support System	AF1, AF2, AF4, AF7 BEP3, BEP1, BEP4	<p>Information Technology enabler to sustain the force.</p> <p>Improves warfighter capability by transforming AF Logistics Business processes</p> <p>Improves the synchronization of operations/logistics planning and execution</p> <p>Improves command and control</p> <p>Provides near real-time worldwide visibility of assets</p> <p>Embraces updated best business practices.</p>
EESOH-MIS	Enterprise Environmental Safety and Occupational Health Management Information System	AF1, AF5, AF6, AF7 BEP1, BEP5	<p>Enhance operational capabilities by managing environmental liabilities, hazards, personnel exposure, and safety needs for shop floor supervisors.</p>



Acronym	Initiative Name	Supported Priorities	Business Capability Provided
ELR(i)	Enterprise Lean Reengineering	AF4, AF6, AF7, AF9	Application of the Lean Re-engineering (elimination of process waste) to all processes of the Air Force. Targets key processes of the AF for improvement, using process champions and re-engineering expertise. Currently targeted processes include: -Air Logistics Centers processes -Deployment Readiness Management -Operational Support Command and Control -Full Spectrum Threat Response
ETIMS	Enhanced Technical Information Management System	AF1, AF4, AF6	Supports maintenance and upgrade of aircraft fleet, integrating such technologies as rugged handheld computers for Flightline use
FIRST	Financial Information Resource System	AF5 BEP1	Foundational system for AF Planning, Programming, Budget and Execution (PPBE) process. Initial focus on budgeting, replacing three existing systems with one integrated system based on best commercial practices and management tools.
FM SDM(i)	Financial Management Service Delivery Model	AF4, AF6, AF7	Transforms the delivery of financial services in the military and civilian areas by moving from direct on-base support to web-based and call center based services. Will substantially reduce the manpower used in financial services.
MPES-DP	Manpower Programming and Execution System	AF3 BEP 4	Web enables entire process of manpower resource programming and execution data.
NAF-T	Non-Appropriated Fund (NAF) Transformation	AF1, AF3, AF5, AF6, AF7, AF8, AF9 BEP 1	Centralizes non-appropriated accounting in a shared service center. Brings near-real time financial information for AF Services at all levels. Connects retail sales modernization (POS), supply chain management and customer relations.
OSMP(i)	Operational Support Modernization Program	AF1, AF2, AF3, AF8, AF9	Integrates all modernization and transformation efforts undertaken in the Operational Support area. Provides focus on warfighter effectiveness. Assists the transformation efforts by providing a common basis and assistance with strategy, doctrine, policy, architecture, change management technical integration and funding.
PERS-TRANS(i)	Personnel Transformation	AF6, AF7 BEP4	Transforms the delivery of personnel services in the military and civilian areas Moves from direct on-base support to web-based and call center based services. Substantially reduces the manpower needed to deliver high quality personnel services



Component Priorities Linked to Targeted Outcomes, Milestones, and Metrics

Each of the AF Component priorities has expected outcomes, and the initiatives supporting one or several Priorities have planned medium and long-term milestones. These are charted in Figure 8-7 below. The Air Force is pursuing a Balanced Scorecard approach to transformation metrics. This effort, recently included in the Operational Support Modernization Program (OSMP), is not expected to be fully operational before early 2007. We have however highlighted the high-level metrics that will be used to track our performance to each priority. Figure 8-7 depicts the OS Transformation Balanced Scorecard.

Figure 8-7: OS Transformation Balanced Scorecard

STAKEHOLDER VIEW S1. Improve the Command & Control Capabilities Through Situationally aware Commanders S2. Improve the Prepare and Sustain Capabilities Through Synchronization of All Resources			PROCESS EFFECTIVENESS P1. Shape the Force within OS P2. Improve OS Business Processes P3. Improve Discipline and Credibility in OS Business Practices		
S1.1 Commander Feedback on Situational Awareness	S2.1 Actual Capabilities Delivered vs. Requested (e.g. Deployment Discrepancies)	S3.1 Predictive Mission Capability	P1.1 Required Competencies Met within OS	P2.1 OS Process Improvement Index for Timeliness, Quality, Quantity and Predictability of Key OS Processes	P3.1 OS Credibility Index Consisting of Planned vs. Achieved by OS Modernization Initiatives
RESOURCE MANAGEMENT R1. Reduce the Cost of Operational Support R2. Leverage Spend Activity and Use Industry Partners Effectively R3. Improve OS Productivity			BUILDING FOR THE FUTURE B1. Recapitalization: Invest in OS Modernization initiatives B2. Deliver the quality of Life & Respect of the Individual that will Motivate the Workforce & Achieve Recruitment & Retention Goals B3. Foster a Culture of Accountability that Optimizes Enterprise Performance		
R1.1 OS TOA as % of AF TOA	R2.1 Percentage of Resources Shared by More Than One Domain	R3.1 OS Productivity Index a Weighted Basket of Key Unit Cost Metrics	B1.1 Recapitalization Modernization Costs vs. Total OS TOA	B1.2 OSMP Execution Tracking Milestones and Costs for the OS Modernization Initiatives	B2.1 & B3.1 Questions in AF Quality of Life Survey and Change Management Tool to Measure Adoption of Enterprise View

Examples include:

From the Stakeholder view, the Air Force will measure improvements to its Command and Control capabilities, by monitoring Commander Feedback on his/her SA. In addition to this ‘subjective’ measure, we will monitor improvements in our Prepare the Force and Sustain the Force capabilities by tracking Actual capabilities delivered against capabilities requested and Our Predictive Mission Capability, how far ahead we are able to plan and execute to plan. From the Process Effectiveness view, the AF will measure improvements to its Shape the Force capability, defining and measuring the required competencies against the delivered competencies. We will measure improvements in key OS business processes by selecting an index of processes and monitoring them for a series of attributes including timeliness, quality, quantity and predictability. We will also measure discipline and credibility in the results of our Modernization efforts. From the Resource Management view, the Air Force will measure reductions in the cost of Operational Support, by monitoring OS TOA as a percentage of overall AF TOA. We will measure improvements in OS productivity through monitoring an index of key unit cost metrics. From the Building for the Future view, we will measure our recapitalization investments by monitoring OS modernization spending as a percentage of overall TOA and by tracking the execution of our OSMP and key initiative milestones. We will measure quality of life and respect for the individual and the fostering of a culture of accountability by adapting our surveys and by developing change management instrumentalities that measure adoption across the AF of integrated, enterprise-oriented perspectives.



The following table charts our Priorities, expected outcomes, key milestones, and the metrics that are relevant within the Priority.

Table 8-3: Component Priorities with Targeted Outcomes, Milestones and Metrics

#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
1	Global synchronization of supply chain (people, materiel, installations) & integration with the Operations community	<p>Increased equipment availability</p> <p>Reduced operations and support cost</p> <p>Enterprise-wide supply chain visibility</p> <p>Collaborative planning across supply, maintenance, distribution and operations</p>	<p>ACES</p> <p>OPS Modernization (FOC) 10/2005</p> <p>Phase 1 Modernization (FOC) 11/2007</p> <p>Phase 2 Modernization (FOC) 5/2008</p> <p>Phase 3 Modernization (FOC) 11/2008</p> <p>ECSS-IL</p> <p>Milestone A 08/2005</p> <p>MS B 12/2007</p> <p>MS C 10/2008</p> <p>IOC 03/2011</p> <p>FOC 09/2012</p> <p>EESOH-MIS</p> <p>Version 1.1 6/2005</p> <p>Version 1.2 12/2005</p> <p>Version 1.3 9/2006</p> <p>Version 1.4 1/2007</p> <p>ETIMS</p> <p>Milestone B 11/2005</p> <p>Milestone C 04/2006</p> <p>IOC 04/2006</p> <p>Spiral 1 Deploy 10/2006</p> <p>Spiral 2 Reqmts/Design 02/2007</p> <p>Spiral 2 Dev/Test/Deploy 10/2008</p> <p>Spiral 3 Reqmts/Design 06/2008</p> <p>Spiral 3 Dev/Test/Deploy 09/2009</p> <p>FOC 09/2009</p> <p>Sustainment 03/2010</p> <p>OSMP(i)</p> <p>CONOPS Definition 5/2004</p> <p>Enterprise Portfolio Mgmt 10/2005</p> <p>Enterprise Transfo Metrics 03/2006</p> <p>Capabilities based transfo budgeting 03/2007</p> <p>Integrated Architecture V5 04/2007</p> <p>CONOPS Integration 03/2006</p> <p>Doctrine Integration 03/2007</p> <p>Change Mgmt /Comms 12/2005</p> <p>Integrated AF Transformation 10/2006</p> <p>Integrated VSA 04/2006</p> <p>Int. Re-Engineering & I-CRRA 04/2007</p> <p>NAF-T</p> <p>Enterprise portfolio management 03/2007</p> <p>Phase 1 financial 09/2008</p> <p>Phase 3 Supply Chain Management 09/2015</p> <p>Agile Combat Support 09/2015</p> <p>Interface with IBPS & Inf. Decision Cap. 09/2015</p>	<p>Stakeholder</p> <p>S1 Improve the Command and Control Capabilities Through Situationally-aware Commanders</p> <p>S1.1 Wing Commander Feedback on situational awareness</p> <p>S2 Improve Prepare/Sustain Capability thru synchronization of resources</p> <p>S2.1 Actual capabilities delivered vs. requested</p> <p>Process</p> <p>P2 Improve OS Business Processes</p> <p>P2.1 Required Competencies Met Within OS</p> <p>P3 Improve discipline and credibility in OS business practices</p> <p>P3.1 OS credibility index: Planned vs. actual results</p> <p>Resource Management</p> <p>R1 Reduce the Cost of Operation Support</p> <p>R2 Leverage Spend Activity and Use Industry Partners Effectively</p> <p>R3 Improve OS Productivity</p> <p>Building for the Future</p> <p>B1 Recapitalization Invest in OS Modernization Initiatives</p> <p>B3 Foster a Culture of Accountability that Optimizes Enterprise Performance</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
2	Better merge mission profile, supplies & equipment, & people to strengthen total weapons systems / force management	Faster deployment of weapon system capabilities Increased agility in the execution of new missions	<p>ACES</p> <p>OPS Modernization (FOC) 10/2005 Phase 1 Modernization (FOC) 11/2007 Phase 2 Modernization (FOC) 5/2008 Phase 3 Modernization (FOC) 11/2008</p> <p>ECSS-IL</p> <p>Milestone A 08/2005 MS B 12/2007 MS C 10/2008 IOC 03/2011 FOC 09/2012</p> <p>PM&O(i)</p> <p>SMART to Acquisition Portal 12/2008 PRIDE to Acquisition Portal 12/2008 IRSS on NIPRNet 07/2005 IRSS AFROCC, JROC integration 03/2006</p> <p>EBS</p> <p>Milestone A 9/1999 Milestone B 2/2000 Milestone C 10/2002 IOC 4/2004 FOC 9/2008 Establish EDM Infrastructure 07/2005 CWE rollout to AFRL 02/2006 Enterprise Planning and Programming System 08/2006 COTS S&T Project Portfolio Management System 02/2007</p> <p>T&E(i)</p> <p>AFMC selection of preferred modules 08/2005</p> <p>OSMP(i)</p> <p>CONOPS Definition 5/2004 Enterprise Portfolio Mgmt 10/2005 Enterprise Transfo Metrics 03/2006 Capabilities based transfo budgeting 03/2007 Integrated Architecture V5 04/2007 CONOPS Integration 03/2006 Doctrine Integration 03/2007 Change Mgmt /Comms 12/2005 Integrated AF Transformation 10/2006 Integrated VSA 04/2006 Int. Re-Engineering & I-CRRA 04/2007</p>	<p>Stakeholder</p> <p>S2 Improve Prepare/Sustain Capability thru synchronization of resources S2.2 Predictive Mission Capability</p> <p>Process</p> <p>P1 Shape the Force within OS P1.1 Required competencies met within OS P2 Improve OS Business Processes P2.1 OS Process Improvement index for Timeliness, Quality, Quantity and Predictability of Key Processes</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
3	Focus on real-time command & control, decision support & predictive analysis	Improved awareness of the Commanders, leading to improved decisions in war and peace time	<p>ACES</p> <p>OPS Modernization (FOC) 10/2005</p> <p>Phase 1 Modernization (FOC) 11/2007</p> <p>Phase 2 Modernization (FOC) 5/2008</p> <p>Phase 3 Modernization (FOC) 11/2008</p> <p>AFIRI(i)</p> <p>Maintain Reliable Information for all Air Force Assets and Liabilities to Support an Unqualified Audit Opinion on the Bal Sheet 07/2013 04/2014 11/2016</p> <p>Maintain Reliable Cost Information for Air Force Programs to Support an Unqualified Audit Opinion on the Statement of Net Cost 07/2013 04/2014 11/2016</p> <p>Maintain Reliable Budgetary Accounting Information to Support an Unqualified Audit Opinion on Statement of Budgeted Resources 07/2010 04/2011 11/2013</p> <p>PM&O(i)</p> <p>SMART to Acquisition Portal 12/2008</p> <p>PRIDE to Acquisition Portal 12/2008</p> <p>IRSS on NIPRNet 07/2005</p> <p>IRSS AFROCC, JROC integration 03/2006</p> <p>EBS</p> <p>Milestone A 9/1999</p> <p>Milestone B 2/2000</p> <p>Milestone C 10/2002</p> <p>IOC 4/2004</p> <p>FOC 9/2008</p> <p>Establish EDM Infrastructure 07/2005</p> <p>CWE rollout to AFRL 02/2006</p> <p>Enterprise Planning and Programming System 08/2006</p> <p>COTS S&T Project Portfolio Management System 02/2007</p> <p>DEAMS-AF</p> <p>Complete the analysis of alternate methods, procedures, and technology TRANSCOM 1.2 07/2004</p> <p>AF 2.1 07/2004</p> <p>Milestone A</p> <p>TRANSCOM 1.2 04/2005</p> <p>MPES-DP</p> <p>Achieve full operational capability 05/2005</p> <p>NAF-T</p> <p>Enterprise portfolio management 03/2007</p> <p>Phase 1 financial 09/2008</p> <p>Phase 3 Supply Chain Management 09/2015</p> <p>Agile Combat Support 09/2015</p> <p>Interface with IBPS 09/2015</p> <p>Informed Decision-Making Capabilities 09/2015</p> <p>OSMP(i)</p> <p>CONOPS Integration 03/2006</p> <p>Integrated AF Transformation 10/2006</p> <p>Integrated VSA 04/2006</p>	<p>Stakeholder</p> <p>S1 Improve C2 Capabilities thru Situationally Aware Commanders</p> <p>S1.1 Wing Commander feedback on Situational Awareness</p> <p>S2 Improve the Prepare and Sustain Capabilities through Synchronization of All Resources</p> <p>S2.1 Actual Capabilities Delivered vs Requested (e.g., Deployment Discrepancies)</p> <p>Process Effectiveness</p> <p>P2 Improve OS Business Processes</p> <p>P2.1 OS Process Improvement Index for Timeliness, Quality, Quantity and Predictability of Key OS Processes</p> <p>P3 Improve Discipline and Credibility in OS Business Practices</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
4	Leverage spend activities & more effectively use industrial partners	<p>Increased outsourcing of non-critical processes to industry</p> <p>Improved R&D to procurement ratio</p> <p>Decreased unit costs</p> <p>Decreased service cost</p> <p>Decreased transactional activity in procurement</p>	<p>AFIRI(i)</p> <p>Maintain Reliable Information for all Air Force Assets and Liabilities to Support an Unqualified Audit Opinion on the Bal Sheet 07/2013 04/2014 11/2016</p> <p>Maintain Reliable Cost Information for Air Force Programs to Support an Unqualified Audit Opinion on the Statement of Net Cost 07/2013 04/2014 11/2016</p> <p>Maintain Reliable Budgetary Accounting Information to Support an Unqualified Audit Opinion on Statement of Budgeted Resources 07/2010 04/2011 11/2013</p> <p>PM&O(i)</p> <p>SMART to Acquisition Portal 12/2008</p> <p>PRIDE to Acquisition Portal 12/2008</p> <p>IRSS on NIPRNet 07/2005</p> <p>IRSS AFROCC, JROC integration 03/2006</p> <p>EBS</p> <p>Milestone A 9/1999</p> <p>Milestone B 2/2000</p> <p>Milestone C 10/2002</p> <p>IOC 4/2004</p> <p>FOC 9/2008</p> <p>Establish EDM Infrastructure 07/2005</p> <p>CWE rollout to AFRL 02/2006</p> <p>Enterprise Planning and Programming System 08/2006</p> <p>COTS S&T Project Portfolio Management System 02/2007</p> <p>Sourcing(i)</p> <p>ACPS replaced by SPS v4.2.3 03/2007</p> <p>ConWrite replaced by SPS v4.2.3 12/2007</p> <p>CARS (J001) replaced by FPDS-NG 10/2005</p> <p>AFWAY upgrade to AFeBuy 08/2006</p> <p>DEAMS-AF</p> <p>Complete the analysis of alternate methods, procedures, and technology TRANSCOM 1.2 07/2004</p> <p>AF 2.1 07/2004</p> <p>Milestone A</p> <p>TRANSCOM 1.2 04/2005</p>	<p>Resource Management</p> <p>R1 Reduce the Cost of Operational Support</p> <p>R1.1 OS TOA as % of AF TOA</p> <p>R2 Leverage Spend Activity and Use Industrial Partners Effectively</p> <p>R2.1 Percentage of Resources Shared by more than one Domain</p> <p>Process Effectiveness</p> <p>P2 Improve OS Business Processes</p> <p>P2.1 OS Process Improvement index for Timeliness, Quality, Quantity and Predictability of Key OS Processes</p> <p>P3 Improve Discipline and Credibility in OS Business Practices</p> <p>Building for the Future</p> <p>B1 Recapitalization Invest in OS Modernization Initiatives</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
4 (cont.)	Leverage spend activities & more effectively use industrial partners	<p>Increased outsourcing of non-critical processes to industry</p> <p>Improved R&D to procurement ratio</p> <p>Decreased unit costs</p> <p>Decreased service cost</p> <p>Decreased transactional activity in procurement</p>	<p>ECSS-IL</p> <p>Milestone A 08/2005</p> <p>MS B 12/2007</p> <p>MS C 10/2008</p> <p>IOC 03/2011</p> <p>FOC 09/2012</p> <p>ELR(i)</p> <p>ID critical processes 10/2005</p> <p>Value Stream Analysis 11/2005</p> <p>Complete 02/2008</p> <p>Implement (IOC) 06/2006</p> <p>Implement (FOC) 05/2008</p> <p>NAF-T</p> <p>Enterprise portfolio management 03/2007</p> <p>Phase 1 financial 09/2008</p> <p>Phase 3 Supply Chain Management 09/2015</p> <p>Agile Combat Support 09/2015</p> <p>Interface with IBPS 09/2015</p> <p>Informed Decision-Making Capabilities 09/2015</p> <p>ETIMS</p> <p>Milestone B 11/2005</p> <p>Milestone C 04/2006</p> <p>IOC 04/2006</p> <p>Spiral 1 Deploy 10/2006</p> <p>Spiral 2 Reqmts/Design 02/2007</p> <p>Spiral 2 Dev/Test/Deploy 10/2008</p> <p>Spiral 3 Reqmts/Design 06/2008</p> <p>Spiral 3 Dev/Test/Deploy 09/2009</p> <p>FOC 09/2009</p> <p>Sustainment 03/2010</p>	<p>Resource Management</p> <p>R1 Reduce the Cost of Operational Support</p> <p>R1.1 OS TOA as % of AF TOA</p> <p>R2 Leverage Spend Activity and Use Industrial Partners Effectively</p> <p>R2.1 Percentage of Resources Shared by more than one Domain</p> <p>Process Effectiveness</p> <p>P2 Improve OS Business Processes</p> <p>P2.1 OS Process Improvement index for Timeliness, Quality, Quantity and Predictability of Key OS Processes</p> <p>P3 Improve Discipline and Credibility in OS Business Practices</p> <p>Building for the Future</p> <p>B1 Recapitalization Invest in OS Modernization Initiatives</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
5	Focus on delivery of Commanders' resource management capabilities vs. low value-added transactional activity	<p>Move from direct on-base support to web-based and contact center based personnel and financial services.</p> <p>Substantially reduce the manpower used in personnel and financial services. --Significantly enhancing decision support to commanders.</p>	<p>ACES</p> <p>OPS Modernization (FOC) 10/2005</p> <p>Phase 1 Modernization (FOC) 11/2007</p> <p>Phase 2 Modernization (FOC) 5/2008</p> <p>Phase 3 Modernization (FOC) 11/2008</p> <p>AFIRI(i)</p> <p>Maintain Reliable Information for all Air Force Assets and Liabilities to Support an Unqualified Audit Opinion on the Bal Sheet 07/2013 04/2014 11/2016</p> <p>Maintain Reliable Cost Information for Air Force Programs to Support an Unqualified Audit Opinion on the Statement of Net Cost 07/2013 04/2014 11/2016</p> <p>Maintain Reliable Budgetary Accounting Information to Support an Unqualified Audit Opinion on Statement of Budgeted Resources 07/2010 04/2011 11/2013</p> <p>DEAMS-AF</p> <p>Complete the analysis of alternate methods, procedures, and technology TRANSCOM 1.2 07/2004</p> <p>AF 2.1 07/2004</p> <p>Milestone A</p> <p>TRANSCOM 1.2 04/2005</p> <p>EESOH-MIS</p> <p>Version 1.1 6/2005</p> <p>Version 1.2 12/2005</p> <p>Version 1.3 9/2006</p> <p>Version 1.4 1/2007</p> <p>FIRST</p> <p>Milestone B 03/2001</p> <p>Milestone C 05/2007</p> <p>IOC 09/2007</p> <p>FOC 09/2010</p> <p>NAF-T</p> <p>Enterprise portfolio management 03/2007</p> <p>Phase 1 financial 09/2008</p> <p>Phase 3 Supply Chain Management 09/2015</p> <p>Agile Combat Support 09/2015</p> <p>Interface with IBPS 09/2015</p> <p>Informed Decision-Making Capabilities 09/2015</p> <p>PERS TRANS(i)</p> <p>AF Military Uniques to DIMHRS Milestone B 3/2006</p> <p>AF Military Uniques to DCPDS IOC 3/2002</p> <p>Military Personnel Data System IOC 6/2001 FOC 7/2001</p> <p>Consolidated Contact Center-Spiral 1 03/2006</p> <p>Consolidated 2 Contact Center-Spiral 2 06/2006</p> <p>Consolidated Contact Center-Spiral 3 09/2006</p>	<p>Stakeholder View</p> <p>S1 Improve the Command and Control Capabilities through Situationally-aware Commanders</p> <p>S1.1 Wing Commander Feedback on Situational Awareness</p> <p>Process Effectiveness</p> <p>P2 Improve OS Business Processes</p> <p>P2.1 Process Improvement Index</p> <p>P3 Improve Discipline and Credibility in OS Business Practices</p> <p>P3.1 OS Credibility Index Consisting of Planned vs Actual Results Achieved by OS Modernization Initiatives</p> <p>Resource Management</p> <p>R1 Reduce Cost of OS</p> <p>R1.1 OS TOA as a % of total TOA</p> <p>R2 Leverage Spend Activity and Use Industry Partners Effectively</p> <p>R2.1 Percentage of Resources Shared by More Than One Domain</p> <p>R3 Improve OS Productivity</p> <p>R3.1 OS Productivity Index a weighted basket of key unity cost metrics</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
6	Re-engineer, share service organizations, standardize processes, regionalize support & deliver services globally	<p>Move from direct on-base support to web-based and contact center based personnel and financial services.</p> <p>Substantially reduce the manpower used in personnel and financial services.</p>	<p>ACES</p> <p>OPS Modernization (FOC) 10/2005 Phase 1 Modernization (FOC) 11/2007 Phase 2 Modernization (FOC) 5/2008 Phase 3 Modernization (FOC) 11/2008</p> <p>PM&O(i)</p> <p>SMART to Acquisition Portal 12/2008 PRIDE to Acquisition Portal 12/2008 IRSS on NIPRNet 07/2005 IRSS AFROCC, JROC integration 03/2006</p> <p>EBS</p> <p>Milestone A 9/1999 Milestone B 2/2000 Milestone C 10/2002 IOC 4/2004 FOC 9/2008 Establish EDM Infrastructure 07/2005 CWE rollout to AFRL 02/2006 Enterprise Planning and Programming System 08/2006 COTS S&T Project Portfolio Management System 02/2007</p> <p>Sourcing(i)</p> <p>ACPS replaced by SPS v4.2.3 03/2007 ConWrite replaced by SPS v4.2.3 12/2007 CARS (J001) replaced by FPDS-NG 10/2005 AFWAY upgrade to AFEBuy 08/2006</p> <p>T&E(i)</p> <p>AFMC selection of preferred modules 08/2005</p> <p>NAF-T</p> <p>Achievement of initial policy implementation 12/2005 Milestone C 06/2005 Shared Service Center Fully Staffed 02/2008 Achievement of final policy implementation 09/2008 Initial operational capability. 12/2005 Achieve full operational capability. 09/2008</p>	<p>Stakeholder View</p> <p>S1 Improve the Command and Control Capabilities through Situationally-aware Commanders S1.1 Wing Commander Feedback on Situational Awareness</p> <p>Process</p> <p>P2 Improve OS Business Processes P2.1 OS Process Improvement Index P3 Improve discipline and credibility in OS Business Practices P3.1 OS Credibility Index</p> <p>Resource Management</p> <p>R1 Reduce the Cost of Operational Support R1.1 OS TOA as % of AF TOA R2 Leverage Spend Activity and Use Industry Partners Effectively R2.1 Percentage of Resources Shared by More Than One Domain R3 Improve OS Productivity R3.1 OS Productivity Index a weighted basket of key unity cost metrics</p> <p>Building for the Future</p> <p>B1 Recapitalization Invest in OS Modernization Initiatives</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
6 (cont.)	Re-engineer, share service organizations, standardize processes, regionalize support & deliver services globally	<p>Move from direct on-base support to web-based and contact center based personnel and financial services.</p> <p>Substantially reduce the manpower used in personnel and financial services.</p>	<p>EESOH-MIS Version 1.1 6/2005 Version 1.2 12/2005 Version 1.3 9/2006 Version 1.4 1/2007</p> <p>ELR(i) ID critical processes 10/2005, Value Stream Analysis 11/2005 RIE Complete 02/2008 Implement (IOC) 06/2006, Implement (FOC) 05/2008</p> <p>ETIMS Milestone B 11/2005 Milestone C 04/2006 IOC 04/2006 Spiral 1 Deploy 10/2006 Spiral 2 Reqmts/Design 02/2007 Spiral 2 Dev/Test/Deploy 10/2008 Spiral 3 Reqmts/Design 06/2008 Spiral 3 Dev/Test/Deploy 09/2009 FOC 09/2009/Sustainment 03/2010</p> <p>FM SDM(i) Center of Expertise IOC 10/2005 Financial Advisor Transformation: Realign ALO/FMA 12/2005 Fin Serv Trans Stand-up Central Processing Center 10/2007 Combat Comptroller Contingency Organization FOC 09/2009 Center of Expertise FOC 09/2008 FAT: Enhanced FA 09/2008 FST: Stand up Contact Center 10/2008</p> <p>NAF-T Achievement of initial policy implementation 12/2005 Milestone C 06/2005 Shared Service Center Fully Staffed 02/2008 Achievement of final policy implementation 09/2008 Initial operational capability. 12/2005 Achieve full operational capability. 09/2008</p> <p>PERS TRANS(i) AF Military Uniques to DIMHRS Milestone B 3/2006 AF Military Uniques to DCPDS IOC 3/2002 Military Personnel Data System IOC 6/2001 FOC 7/2001 Consolidated Contact Center-Spiral 1 03/2006 Consolidated Contact Center-Spiral 2 06/2006 Consolidated Contact Center-Spiral 3 09/2006</p>	<p>Stakeholder View S1 Improve the Command and Control Capabilities through Situationally-aware Commanders S1.1 Wing Commander Feedback on Situational Awareness</p> <p>Process P2 Improve OS Business Processes P2.1 OS Process Improvement Index P3 Improve discipline and credibility in OS Business Practices P3.1 OS Credibility Index</p> <p>Resource Management R1 Reduce the Cost of Operational Support R1.1 OS TOA as % of AF TOA R2 Leverage Spend Activity and Use Industry Partners Effectively R2.1 Percentage of Resources Shared by More Than One Domain R3 Improve OS Productivity R3.1 OS Productivity Index a weighted basket of key unity cost metrics</p> <p>Building for the Future B1 Recapitalization Invest in OS Modernization Initiatives</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
7	Treat people as the most important resource (quality of life, quality of workplace, family housing)	<p>Institutionalize a standard (non-crisis) work week to 40 hours</p> <p>Ensure our personnel are working and living in the safest possible environment</p> <p>Ensure our personnel are working with institutionalized and drastically improved enterprise processes designed to save lives and minimize the loss of (damage to) valuable assets/resources</p>	<p>ADLS IOC 7/2004</p> <p>ECSS-IL Milestone A 08/2005 MS B 12/2007 MS C 10/2008 IOC 03/2011 FOC 09/2012</p> <p>EESOH-MIS Version 1.1 6/2005 Version 1.2 12/2005 Version 1.3 9/2006 Version 1.4 1/2007</p> <p>ELR(i) ID critical processes 10/2005 Value Stream Analysis 11/2005 Complete 02/2008 Implement (IOC) 06/2006 Implement (FOC) 05/2008</p> <p>FM-SDM(i) Center of Expertise IOC 10/2005 Financial Advisor Transformation: Realign ALO/FMA 12/2005 Fin Serv Trans Stand-up Central Processing Center 10/2007 Combat Comptroller Contingency Organization FOC 09/2009 Center of Expertise FOC 09/2008 FAT: Enhanced FA 09/2008 FST: Stand up Contact Center 10/2008</p> <p>NAF-T Achievement of initial policy implementation 12/2005 Milestone C 06/2005 Shared Service Center Fully Staffed 02/2008 Achievement of final policy implementation 09/2008 Initial operational capability. 12/2005 Achieve full operational capability. 09/2008</p>	<p>Stakeholder View S1 Improve the Command and Control Capabilities through Situationally-aware Commanders S1.1 Wing Commander Feedback on Situational Awareness S2 Improve the Prepare and Sustain Capabilities through Synchronization of All Resources</p> <p>Building for the Future B2 Deliver Quality of Life and Respect of individual to motivate workforce, achieve recruit/retain goals B2.1 Questions in AF QL Survey B3 Foster a Culture of Accountability that Optimizes Enterprise Performance</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
8	Change culture to optimize performance of enterprise (Align goals & metrics to focus on enterprise performance, continuous improvement)	<p>Integrated and modernized Air Force Operational Support functions (combat support and business) deliver greater warfighter effectiveness and generate efficiencies</p> <p>Improved accountability and transparency</p>	<p>AFIRI(i)</p> <p>Maintain Reliable Information for all Air Force Assets and Liabilities to Support an Unqualified Audit Opinion on the Bal Sheet 07/2013 04/2014 11/2016</p> <p>Maintain Reliable Cost Information for Air Force Programs to Support an Unqualified Audit Opinion on the Statement of Net Cost 07/2013 04/2014 11/2016</p> <p>Maintain Reliable Budgetary Accounting Information to Support an Unqualified Audit Opinion on Statement of Budgeted Resources 07/2010 04/2011 11/2013</p> <p>OSMP(i)</p> <p>CONOPS Definition 5/2004</p> <p>Enterprise Portfolio Mgmt 10/2005</p> <p>Enterprise Transfo Metrics 03/2006</p> <p>Capabilities based transfo budgeting 03/2007</p> <p>Integrated Architecture V5 04/2007</p> <p>CONOPS Integration 03/2006</p> <p>Doctrine Integration 03/2007</p> <p>Change Mgmt /Comms 12/2005</p> <p>Integrated AF Transformation 10/2006</p> <p>Integrated VSA 04/2006</p> <p>Int. Re-Engineering & I-CRRA 04/2007</p> <p>NAF-T</p> <p>Achievement of initial policy implementation 12/2005</p> <p>Milestone C 06/2005</p> <p>Shared Service Center Fully Staffed 02/2008</p> <p>Achievement of final policy implementation 09/2008</p> <p>Initial operational capability. 12/2005</p> <p>Achieve full operational capability. 09/2008</p>	<p>Stakeholder View</p> <p>S1 Improve the Command and Control Capabilities through Situationally-aware Commanders</p> <p>S1.1 Wing Commander Feedback on Situational Awareness</p> <p>S2 Improve the Prepare and Sustain Capabilities through Synchronization of All Resources</p> <p>Process Effectiveness</p> <p>P2 Improve OS Business Processes</p> <p>P2.1 OS Process Improvement Index for Timeliness, Quality, Quantity and Predictability of Key OS Processes</p> <p>P3 Improve Discipline and Credibility in OS Business Practices</p> <p>P3.1 OS Credibility Index Consisting of Planned vs Actual Results Achieved by OS Modernization Initiatives</p> <p>Resource Management</p> <p>R1 Reduce the Cost of Operational Support</p> <p>R3 Improve OS Productivity</p> <p>Building for the Future</p> <p>B1 Recapitalization Invest in OS Modernization Initiatives</p> <p>B1.1 Recapitalization Modernization Costs vs Total OS TOA</p> <p>B3 Foster a Culture of Accountability that optimizes enterprise performance</p> <p>B3.1 Change Management instrument to measure adoption of enterprise vs tribal view</p>



#	Component Priority	Targeted Outcomes	Milestones	Performance Metrics (a)
9	Instill more discipline and credibility in development and delivery of capabilities	<p>Fully integrate financial and non-financial processes and systems into a CFO compliant environment</p> <p>Provide quality information for Air Force decision makers needed to effectively manage their resources.</p>	<p>ELR(i) ID critical processes 10/2005 Value Stream Analysis 11/2005 Complete 02/2008 Implement (IOC) 06/2006 Implement (FOC) 05/2008</p> <p>OSMP(i) CONOPS Definition 5/2004 Enterprise Portfolio Mgmt 10/2005 Enterprise Transfo Metrics 03/2006 Capabilities based transfo budgeting 03/2007 Integrated Architecture V5 04/2007 CONOPS Integration 03/2006 Doctrine Integration 03/2007 Change Mgmt /Comms 12/2005 Integrated AF Transformation 10/2006 Integrated VSA 04/2006 Int. Re-Engineering & I-CRRA 04/2007</p> <p>PM&O(i) SMART to Acquisition Portal 12/2008 PRIDE to Acquisition Portal 12/2008 IRSS on NIPRNet 07/2005 IRSS AFROCC, JROC integration 03/2006</p> <p>Sourcing(i) ACPS replaced by SPS v4.2.3 03/2007 ConWrite replaced by SPS v4.2.3 12/2007 CARS (J001) replaced by FPDS-NG 10/2005 AFWAY upgrade to AFeBuy 08/2006</p> <p>T&E(i) AFMC selection of preferred modules 08/2005</p> <p>NAF-T Achievement of initial policy implementation 12/2005 Milestone C 06/2005 Shared Service Center Fully Staffed 02/2008 Achievement of final policy implementation 09/2008 Initial operational capability. 12/2005 Achieve full operational capability. 09/2008</p>	<p>Stakeholder S2 Improve prepare/sustain capabilities S2.1 Actual capabilities delivered vs. requested</p> <p>Process P3 Improve discipline and credibility in OS Business Practices P3.1 OS Credibility index, planned vs. actual results achieved by modernization</p>

a) AF Transformation Metrics are under development; more detailed metrics may be assigned in the future.



Other Systems and Initiatives of Interest

Table 8-4 provides a list of other systems and initiatives that are important to the Component’s mission but not necessarily considered transformational, some of which may require IRB certification.

Table 8-4: Other Systems and Initiatives of Interest

System Name	Acronym	Description / Purpose	Comment
Global Combat Support Systems Air Force	GCSS-AF	Provides the technical framework for information technology application hosting, common services, web services, data warehousing – see Information Technology Strategy Section	Classified as infrastructure; this technical framework supports all transformation information technology
Regionalization of Civilian Personnel Support	RCPS		This system is part of the PERS TRANS-I initiative
Personnel Service Delivery	PSD		This system is part of the PERS TRANS-I initiative
Depot Maintenance and Accounting System	DMAPS	The Depot Maintenance Accounting and Production System (DMAPS) is an Air Force Materiel Command project to improve financial management, including cost visibility; improved depot maintenance processes; lower costs; and move towards CFO compliance	This system is part of the ECSS initiative – see ECSS systems transition chart
Purchase Request Process System	PRPS		This system is part of the ECSS initiative – see ECSS systems transition chart



Chapter 9: Defense Logistics Agency

Component Business Transformation Vision

The business transformation vision of the Defense Logistics Agency (DLA) is to dramatically improve warfighter support at a reduced cost through business process reengineering, workforce development, technology transformation and organizational change. To achieve this transformation, DLA's Strategic Management System ensures alignment of this vision with the President's Management Agenda, Joint Vision 2020 (the Concept of Focused Logistics), and the DoD Risk Scorecard, through the DLA Balanced Scorecard and the DLA Transformation Roadmap. Figure 9-1 shows this structured, disciplined alignment, where DLA monitors the planned and achieved transformation outcomes with the same intensity that it manages day-to-day DLA mission performance and results.

Figure 9-1: DLA's Strategic Management System: Managing Transformation with the Same Intensity as Mission



Component Business Transformation Goals

DLA's business transformation goals are to replace its legacy business and systems environment with a new business model and organizational structure supported by Commercial-off-the-Shelf (COTS) based Information Technology (IT), enabling DLA to become:

- A robust customer-focused agency with world-class military service and warfighter partnering capabilities
- A manager and integrator of the supply chains essential to the military readiness with world-class commercial supplier partnering capabilities; and
- A single, fully integrated enterprise

Fifteen key initiatives have been identified as essential to achieve the DLA transformation, all linked and supportive of DLA Strategic Plan Goals. Table 9-1 shows this linkage.

Table 9-1: DLA Transformation Initiatives Linked to Strategic Plan Goals

Highlighted items are directly enabled by established COTS IT acquisition programs.

Initiative	Goal 1: Provide responsive, integrated best value supplies and services consistently to our customers.	Goal 2: Develop and institutionalize the internal processes required to deliver value-added logistics solutions to the warfighter.	Goal 3: Ensure our workforce is enabled and empowered to deliver and sustain logistics excellence.	Goal 4: Manage DLA resources for best customer value.
Customer Relationship Management	X	X		
Supplier Relationship Management	X	X		X
Business Systems Modernization	X	X	X	X
Business Systems Modernization Energy		X		
Distribution Planning and Management System	X	X		X
Integrated Data Environment		X	X	
National Inventory Management Strategy		X		X
Global Stock Positioning	X	X		X
Executive Agent	X	X		
Product Data Management Initiative		X	X	
Workforce Transformation			X	X
Reutilization Modernization Program		X		
Base Realignment and Closure				X
Common Food Management System	X	X		X
Pre-Planned Product Improvement	X	X	X	X



Component Business Transformation Narrative

DLA is committed to dramatically improving warfighter support at a reduced cost through business process re-engineering, workforce development, technology transformation and organizational change. To this end, we have undertaken the fifteen transformational initiatives shown in Table 9-1, nine of which are directly enabled by COTS IT acquisition programs. No single system or initiative accomplishes all of DLA's transformation by itself. Each leverages the capabilities of the others and delivery of all the programs is necessary for the full realization of the transformation.

The cornerstone of DLA transformation is Business Systems Modernization (BSM). Initiated in August 2000, BSM is the major acquisition program by which DLA is modernizing its business processes, consistent with Federal and Defense transformation priorities, and to support the changing warfighting support environment. Through BSM, DLA is transforming from an environment of primarily managing inventory to a broader management of customers, suppliers and information, modernizing both business practices and supporting IT systems. Now approaching Full Operational Capability (FOC) by the end of 2006, the COTS/Enterprise Resource Planning (ERP) IT foundation implemented via BSM is serving as the business process and systems foundation for complimentary and extended capability being developed through follow-on transformational initiatives. The result is a single integrated business system for the entire Agency by the end of 2011.

Great care has been taken to ensure DLA's transformation remains aligned with the direction and initiatives outlined in DoD's Transformation Planning Guidance, Joint Vision 2020, the DoD Force-Centric Logistics Enterprise and the DoD Business Enterprise Architecture. Furthermore, DLA's initiatives support future requirements of the warfighter by directly linking to the seven challenge areas and supporting logistics capabilities outlined in the Focused Logistics Joint Functional Concept document.

This transformation will fundamentally alter DLA's core business model, supporting processes and systems architecture. At the core business model level, customer focus, supply chain management and seamless partnering constitute transformation. A key contribution to this end state is organizational alignment. The agency has taken the strategic steps required to establish a single, tightly integrated organizational structure where DLA is, and is perceived to be, one enterprise.

DLA's Strategic Goals are our Component priorities. The following priorities have been identified to meet our transformational goals and the key objective associated with each priority is stated:

- **CUSTOMERS:** Provide responsive, integrated best value supplies and services consistently to our customers. As a Combat Support Agency, the DLA mission is to provide logistics support to the warfighter. This priority communicates how DLA will improve customer service and the level of service we have targeted to deliver. DLA aims for logistics excellence.
- **INTERNAL PROCESSES:** Develop and institutionalize the internal processes required to deliver value-added logistics solutions to the warfighter. This priority results in strategies for improved market knowledge, customer and supplier accessibility, and collaboration. Supply chain management practices provide the set of tools to manage our internal processes. Our focus on the objectives for supply chain management and IT investment performance provide the supporting performance targets to achieve this goal.



- **WORKFORCE:** Ensure our workforce is enabled and empowered to deliver and sustain logistics excellence. This priority results in human capital management strategies which model new workplace practices based on the new business model, addressing any skills gaps, quantitatively and qualitatively measuring the DLA climate and culture to ensure world-class performance, and linking the other transformational initiatives to this human capital transformation.
- **RESOURCES:** Manage DLA resources for best customer value. Focusing on this priority will sustain the strong financial discipline required to ensure effective financial planning and management in DLA. This priority allows DLA to provide best value to DLA customers. Accurate forecasts strengthen DLA's ability to project and support requirements and plan for the resources needed. Better supply chain cost decisions result in better management of our resources. Compliance with the provisions of the Chief Financial Officer Act ensures that the financial management systems produce relevant, reliable, and timely information.

Systems and Initiatives

The systems and initiatives that support DLA's business transformation are described below.

Systems:

- Business Systems Modernization (BSM) allows for the successful integration of business processes with a new enterprise business system based on Commercial Off-the-Shelf Software and best business practices, providing an IT foundation, which allows for both continuous process and technology insertion. This enables DLA to fully implement electronic business, web-based technologies, and an interoperable data environment to be compliant with the joint interoperability and data exchange standards (e.g., ANSI ASC X12) necessary for DLA to interoperate with its customers and suppliers.
- BSM-Energy automates and provides full supply chain management of the fuels commodity. BSM-Energy, formerly known as the DLA Fuels Automated System (FAS), was directed by Program Decision Memorandum to integrate the unique fuels functionality with the overarching DLA logistics system, BSM. BSM-Energy satisfies the Integrated Material Management requirements for a system that supports a vertically integrated end-to-end fuel supply chain management system.
- Common Food Management System (CFMS) is a DLA financed and DLA coordinated effort to develop a single food management system for the Military Services. CFMS will combine the retail functionality with the wholesale functionality of Subsistence Total Order and Receipt Electronic System into a single system supporting the entire Class I supply chain.
- Distribution Planning and Management System (DPMS) will be the mechanism that will provide DLA the capabilities needed to close the gap between DLA Enterprise Wide Supply Chain Solution, BSM, and the Distribution Standard System (DSS), which operates Distribution Centers. DPMS will provide a web-based interface for vendor and carrier communications and will use the DSS for global addresses including the Navy Cargo Routing Information Management and Foreign Military Sales customers.



- The Reutilization Modernization Program (RMP) proposes to reach into the DoD supply chain systems which would give DoD the ability to provide asset visibility and identify and manage items that pose potential risk. The asset visibility improves support to customers who need to reutilize excess property. Managing items that pose risks protects the public, where the public is another Defense Reutilization and Marketing Service (DRMS) customer.

Initiatives:

- Customer Relationship Management (CRM) program will establish an Enterprise-wide CRM capability. This strategy will contribute to making DLA the best-value provider of logistics products and services, thus retaining and increasing its military and other authorized customers. The Agency's intention is to provide the customer with a unique level of service based on their requirements and preferences.
- Defense Logistics Agency Integrated Data Environment (DLA IDE) will employ a COTS-based service-oriented architecture that will provide industry-proven logistics transaction processing, data sharing, and state-of-the-art central data brokering capabilities. The transformation of these centralized services is vital to support the mandates of net-centric enterprise services and data sharing; supporting DLA and DoD transformation efforts, DoD-wide asset visibility, and the Global Combat Support System (GCSS).
- Product Data Management Initiative (PDMI) will implement automated capabilities for managing and using engineering support and product data within DLA. Specific objectives include increasing the accuracy and accessibility of product data needed to make informed engineering, technical and quality decisions in support of procurement actions.
- Pre-Planned Product Improvement (P3I) consists of three separate follow-on, post-FOC activities designed to either improve and/or converge BSM and BSM Energy systems. They are eProcurement, BSM/BSM Energy Convergence and post-FOC improvements to BSM Energy.

Table 9-2 includes each system or initiative and identifies each of the supported priorities and Business Capabilities.

Table 9-2: System Transformation Summary

System / Initiative	Supported Priorities	Business Capability Provided
BSM	Customers Internal Processes Workforce Resources	Net-centric; real-time E2E pipeline control; interoperable source data; availability of quality data; actionable information; rapid access to logistics information; rapid access to integrated operational view; requisition visibility
BSM- Energy	Internal Processes	Integrated cross-service logistics; COCOM decision support and visibility; full collaboration across the Services/DoD.



System / Initiative	Supported Priorities	Business Capability Provided
CFMS	Customers Internal Processes Resources	CFMS will make available information from the most discrete level of the enterprise (dining facility) to planners and supply managers within the Services and DLA. Integrates subsistence supply chain by fielding one system to support the warfighter. Ensures interoperability of food management functions within and across each Service/DLA and provides a uniform interface to wholesale system. Ensures customer service by using best business practices and reengineering business processes.
CRM	Customers Internal Processes	Integrated cross service logistics; COCOM decision support and visibility; full collaboration across the Services /DoD.
DLA IDE	Internal Processes Workforce	Net-centric--supported by metadata and logistics business rules: Improved asset visibility supporting COCOM's; Improved access to sources of Master Data Elements; Access to DLA logistics transactional data; and accelerate common operational picture for warfighter
DPMS	Customers Internal Processes Resources	Robust infrastructure for mobility; world-wide sustainment assets; force reconstitution; integrated distribution processes
PDMI	Internal Processes Workforce	Flexible industrial base; tailored sustainment; precision tactical resupply; interoperability across Services; civilian collaboration; integration of EA, CLS, and host nation support
P3I	Internal Processes	Net-centric; real-time E2E pipeline control; interoperable source data; availability of quality data; actionable information; rapid access to logistics information; rapid access to integrated operational view; requisition visibility
RMP	Internal Processes	Integrated cross service logistics; COCOM decision support and visibility; full collaboration across the Services/DoD



Component Priorities Linked to Targeted Outcomes, Milestones, and Metrics

Table 9-3 depicts the associations.

Table 9-3 Component Priorities with Targeted Outcomes, Milestones and Metrics

#	Component Priorities	Targeted Outcomes	Milestones	Performance Metrics
1	Customers: Provide responsive, integrated best value supplies and services consistently to our customers	Improve customer satisfaction through effective customer relationship management	FY07	Improve to 90% satisfaction
		Negotiate and successfully implement performance based agreements with Combatant Commanders (COCOMs)	FY07	Implemented agreements with 100% of COCOMs
2	Internal Processes: Develop and institutionalize the internal processes required to deliver value-added logistics solutions to the warfighter	Complete the implementation of the Business System Modernization solution for Standard Automated Materiel Management System and Defense Integrated Subsistence Management System replacement	BSM FOC FY06	Net projected savings of \$252.7M in discounted dollars is achieved by the end of FY 16
		Provide a future architecture and reengineered business processes throughout DLA through the implementation of modernized business systems and initiatives	BSM-E FOC FY07 CFMS FOC FY11 CRM FOC FY08 DLA IDE FOC FY11 DPMS FOC FY06 PDMI FOC FY11 RMP FOC FY09	Implementation of systems and initiatives scheduled for completion by FY 11
3	Workforce: Ensure our workforce is enabled and empowered to deliver and sustain logistics excellence	Identify and fill gaps between workforce competencies and the skills required to meet mission requirements	By end of FY 07	Fill gaps for 100% of DLA positions
		Provide the training, experience and opportunity to succeed in new environment	BSM FOC FY 06 DLA IDE FOC FY 11 PDMI FOC FY 11	Implementation of systems and initiatives scheduled for completion by FY 11
4	Resources: Manage DLA resources for best customer value	Minimize total supply chain costs	By end of FY11	4 of DLA's listed systems and investments alone are expected to yield savings in excess of \$500M



Chapter 10:

USTRANSCOM

Component Business Transformation Vision

USTRANSCOM is the Combatant Command responsible for creating and implementing world-class global deployment and distribution solutions in support of the National Security Strategy. To accomplish this, USTRANSCOM's transformational vision is to change its orientation from a command that provides strategic transportation, to a command that develops and employs End-to-End (E2E) global transportation of forces and materiel distribution solutions to improve joint distribution capabilities for regional Combatant Commands and functional Component warfighters.

It is important to understand that USTRANSCOM's transformation has always been led by a continuous examination of strategic and operational processes and functions leading to the creation of operational architectures.

USTRANSCOM's enterprise integration efforts began in August 1993 when USTRANSCOM was chartered to evaluate and transform the Defense Transportation System (DTS). Originally, 175 systems and 34 Functional Process Improvement projects were identified as having transportation functionality, and then evaluated against detailed functional, technical, and programmatic criteria. The prime objectives of these evaluations were to eliminate unnecessary duplication and save resources while retaining required functionality. The evaluations were based on criteria developed in concert with the joint transportation community. Information for the evaluations was provided by the systems' owners during onsite visits and through written documentation. Using the findings from the evaluations, 74 of the 175 systems were eliminated or transitioned to core transportation systems; 50 were determined to be outside the transportation domain; 21 were designated as modeling and simulation systems in support of transportation; and 30 remained as DTS baseline systems.

USTRANSCOM published the DTS "As-Is" Enterprise Architecture (EA) in August 1999 and the "To-Be" DTS EA in January 2001. Using these architectures, USTRANSCOM developed and published a Migration Plan for USTRANSCOM systems, showing a timeline for migrating to the "To-Be" DTS EA. Annually, the Chief Information Officer (CIO) Program Review Process (CPRP) measures the progress of system migration against this timeline and publishes revised migration plans accordingly.

In March 2003, USTRANSCOM began to look at system investments by portfolios, grouping systems based upon common mission areas, identifying mission capabilities, and mapping the capabilities to systems.

These systems are linked to the architecture through capabilities and Information Exchange Requirements. In March 2004, the CPRP organized investment strategies by Portfolios, and Portfolio Managers made Information Technology (IT) investment and capability prioritization recommendations to justify IT investments. The architecture views are used as foundational tools in supporting these recommendations. Today, USTRANSCOM is working with the components to integrate architectures.

As USTRANSCOM continues to mature into its expanded distribution mission, an IT transition plan for the Joint Deployment and Distribution Enterprise will be delivered. The transformation story presented in this document represents a part of that plan.

Component Business Transformation Goals

- Support the operational effectiveness of Combatant Commands by deploying command and control capability for unified theater deployment and distribution; and by providing End-to-End (E2E) Total Asset Visibility (TAV) and In-Transit Visibility (ITV)
- Improve decision cycle time by providing IT support that turns real-time data into actionable information
- Promote across the Department of Defense (DoD), financial management processes and solutions that are Chief Financial Officer (CFO) Act compliant and improve financial management visibility
- Operational flexibility in E2E distribution through improved and standardized resources, processes, and systems

Component Business Transformation Narrative

The focus of USTRANSCOM transformation IT efforts is on developing a seamless process that will provide better visibility of supplies from their point of production to their ultimate destination of the warfighters in the field. USTRANSCOM is continuing to work with its national partners (Office of the Secretary of Defense organizations, Joint Staff, Combatant Commands, Services, Defense Agencies, and other affected organizations) on priorities that support the above transformation goals.

USTRANSCOM, as the Distribution Process Owner (DPO), and the Defense Logistics Agency (DLA) have agreed to partner and converge two separate stovepiped information systems, the Global Transportation Network (GTN) and the DLA Integrated Data Environment (IDE) together to provide an E2E distribution capability for the warfighter. This partnership will create an organizational structure for a “joint” program management office, and a single Program Executive Office to manage and drive planned and future distribution capabilities together. This initiative will also reduce operational complexity by implementing a common architecture and technology strategy, mitigating program risk due to fiscal uncertainties, synchronizing the fielding of joint capabilities to achieve distribution transformation, and avoiding requirement duplication (single system interfaces, data warehouse, etc).

Another partnership between USTRANSCOM and DLA is planned for the initial phase of the Defense Transportation Coordination Initiative (DTCI), a Continental United States freight initiative focused on increasing operational effectiveness while simultaneously obtaining efficiencies by reducing cycle times. During subsequent phases the Military Services and other Defense Agencies will be encompassed into a total DoD partnership. DTCI will use best



business practices, such as increased consolidations and mode conversions, and will improve predictability through the use of more dedicated truck schedules and cross-docking operations.

Another transformation effort is the Joint Deployment and Distribution Architecture (JDDA), which is designed to support USTRANSCOM's global strategic mobility mission. It presents an architecture that enables an E2E distribution capability. Each layer of the JDDA builds upon the other and is to be viewed as a part of the whole enterprise system, a system that works together. The JDDA provides a comprehensive view of the operational processes and requisite systems through the operational, systems, and technical views that describe the joint distribution environment. It provides architecture information, guidance, and standards to the joint distribution community in order to facilitate the integration and interoperability of technologies supporting the mission. The success of global-mobility is becoming increasingly more dependent upon an integrated information systems environment that has an abundance of information, promulgating the need for data to be collected, analyzed, assessed, synthesized, and disseminated. For this reason, and because of an ever-increasing challenge to make sure technology supports distribution capabilities, it is paramount that the entire defense logistics community (including Total Force partners in the National Guard, Reserve, and commercial logistics industry) continually evolve toward an environment with systems capabilities that are integrated, progressive, and interoperable.

The JDDA is designed to lay the blueprint for a future distribution IT environment that is reliable, rapid, secure, responsive, and survivable. It is designed to collect, collate, and present information in user tailorable formats using standard applications wherever and whenever needed by warfighters and supporting elements. It aids in providing the joint distribution community with an IT plan that supports the USTRANSCOM objectives of ensuring enhanced global mobility, E2E accountability, and competitive rates for the Military Services and the commercial transportation industry. With these characteristics and capabilities, the JDDA provides the foundation for USTRANSCOM's role as the Distribution Portfolio Manager.

A 28 Jul 04 memorandum co-signed by Deputy Under Secretary of Defense, Logistics and Materiel Readiness and Director of Logistics, Joint Staff (JS-J4) designated Commander USTRANSCOM as the Distribution Portfolio Manager, with JS-J4 as co-chair. The objective of Distribution Portfolio Management (DPfM) is to identify capability gaps and unnecessary overlaps in IT systems that support distribution to the warfighter. USTRANSCOM will apply DoD Portfolio Management methodologies to analyze, select, control, and evaluate candidate SPIs to deliver required Distribution IT capabilities. Working with the national partners, the end state of DPfM is to focus DoD IT investments to improve distribution capabilities for the warfighter.

As the DPO, USTRANSCOM has formed partnerships with the Services, Defense Agencies, and Combatant Commands to develop effective and efficient distribution solutions to enhance strategic support to worldwide customers. Most recently, the Air Mobility Command (AMC) and Defense Logistics Agency (DLA) launched an IT solution that will help provide earlier visibility of inbound cargo destined for troops overseas. The new interface will improve information flow between DLA's Consolidation and Containerization Points (CCPs) information system and the one used at Air Force aerial ports. The new solution allows information in DLA's Distribution Standard System (DSS) to interface with the Global Air Transportation Execution System (GATES)—improving the information flow between CCPs and Aerial Ports of Embarkation (APOEs). The interface makes information available to everyone from the Air



Clearance Authority to the load planner and speeds the process for aerial port cargo handlers as well as those responsible for planning the airlift missions. This information interface between DSS and GATES is one of many initiatives aimed at improving the distribution system to deployed war fighters.

During 2004, DLA and AMC initiated the Pure Pallet program. A pure pallet contains cargo destined exclusively for a single end user. When a Pure Pallet arrives at the Aerial Port of Debarkation (APOD), it can be pulled from the aircraft and immediately handed off to the customer or placed on a theater lift platform for delivery to more remote locations. Another effort, the Single Ticket initiative, enforced a single process for all passenger movement across strategic and theater action agencies and eliminated redundant tasks. The visibility of troop movement was extended from the APOE all the way to the final (in theater) APOD. The result reduced force closure rates 67%, from 72 hours to fewer than 24 hours.

A current migration effort is the Defense Personal Property System (DPS), a next generation personal property shipment system replacing the Transportation Operational Personal Property Standard System. Upgrade of the technology infrastructure will improve the tools to respond to operational needs and legislative changes, and enable timely and reliable integration of and access to information, resulting in better-informed decisions. The DPS system transition plan will be developed in future revisions of the Enterprise Transition Plan and Program Baseline (ETP).

Another migration effort is the Defense Enterprise Accounting and Management System (DEAMS), supporting the Accounting and Financial Management functions of the USTRANSCOM, the United States Air Force, and the Defense Finance and Accounting Service (DFAS). DEAMS has the potential to expand functionality to support the United States Army, the United States Navy, and other Defense Agencies. The main objective of DEAMS is to implement standardized business processes that have been re-engineered around industry best business practices and CFO Act compliant standard financial software to collect and provide accurate information near real-time. Legacy systems to be integrated into DEAMS are the Airlift Service Industrial Fund Integrated Computer System, Cargo and Billing System, Transportation Financial Management System-MTMC, and Corporate Applications.

Another significant migration effort is associated with implementing new Joint Task Force-Port Opening (JTF-PO) Capabilities. This new expeditionary deployment support concept combines and rapidly deploys air and surface distribution elements to a single forward port responsible for management of deployment and distribution immediately upon deployment. The concept addresses onward movement shortfalls associated with delays in the current Request For Forces (RFF) process that often impacts the initial deployment phase of current operations today. The deployable JTF-PO element is highly reliant on lightweight and easy-to-operate wireless communications, Radio Frequency Identification (RFID), and Radio Frequency In Transit Visibility (RFITV) systems. Moreover, the effort provides the basis and operating environment for establishing standardized technologies, distribution data formats, and the associated Tactics, Techniques, and Procedures (TTPs) in a multi-service environment.

The priorities presented below will be fully supported by the Joint Deployment and Distribution IT Transition Plan that is required to be submitted in 2006. Currently, the GTN and IDE convergence, as well as DEAMS are aligned to these priorities as presented in Table 10-1.



E2E Priorities:

- Improve our Command ability to deploy joint theater logistics Command and Control (movements, distribution)
- Improve asset visibility by capitalizing on automated IT to enable distribution processes

IT Priorities:

- Maximize distribution effectiveness in support of the warfighter by providing optimized E2E Joint Deployment and Distribution IT capabilities

Financial Priorities:

- Develop financial IT systems that consolidate and replace legacy systems, are CFO compliant, and provide superior data control and accountability

Execution Priorities:

- Attain 100% TAV and ITV of all materiel and forces
- Standardize aerial and surface port IT and communications capabilities

Table 10-1: System Transformation Summary

System	BEP	Component Priorities	System Priorities	Business Capability Provided
GTN as achieved through DLA's IDE	Materiel Visibility	E2E IT Execution	Customer Results (CR) Mission & Business Results (MBR) Processes & Activities (P&A) Technology (T)	CR: Accurate information, customer notification, number of exercises, concurrent users, simple queries, queries a month, complex queries, and extended use queries MBR: Years of data storage P&A: Bulk data update, security, and privacy T: Operational availability, percent of IERs, and net ready
DEAMS	Financial Visibility	Financial	Core Financial Systems Management (CFSM) General Ledger Management (GLM) Funds Management (FM) Payment Management (PMgmt) Receivable Management (RMgmt) Cost Management Function (CMF) Reporting Function (RF)	CFSM: Accounting Classification Management, Transaction Control GLM: General Ledger Account Definition, Accruals, Closing, and Consolidation, General Ledger Analysis and Reconciliation FM: Budget Preparation, Budget Formulation, Funds Allocation, Budget Execution, Funds Control PMgmt: Payee Information Maintenance, Payment Warehousing, Payment Execution, Payment Confirmation and Follow-up RMgmt: Customer Information Maintenance, Receivable Establishment, Debt Management, Collections and Offsets CMF: Cost Setup and Accumulation, Cost Recognition, Cost Distribution, Working Capital and Revolving Fund RF: General Reporting, External Reporting, Internal Reporting, Ad Hoc Query



Component Priorities Linked to Targeted Outcomes, Milestones and Metrics

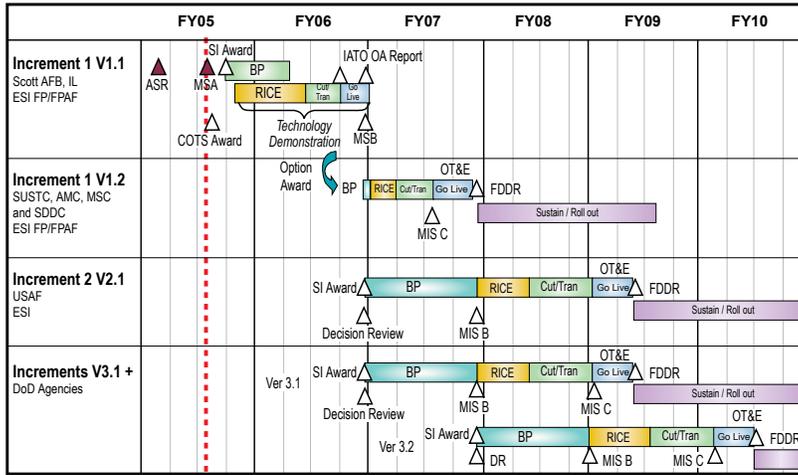
Table 10-2 includes the DEAMS outcomes, milestones, and performance metrics. Figure 10-1 shows DEAMS key milestones. DEAMS will satisfy the Component priority to promote DoD-wide financial management processes and solutions that are CFO Act compliant and improve financial management visibility.

Table 10-2: DEAMS Priorities with Targeted Outcomes, Milestones, and Metrics

#	DEAMS Priorities	Targeted Outcome	Milestones	Metrics
1	Core Financial System Management	Consists of all the processes necessary to maintain the financial system in a manner that is consistent with established financial management laws, regulations, and policy.	Scott AFB: Oct 06 USTC: Sep 07	CFO and Government Management Reform Act Compliant
2	General Ledger Management	Central function of the core financial system; the highest level of summarization. Must maintain account balances by the accounting classification elements established in the Core Financial System Management function.	Scott AFB: Oct 06 USTC: Sep 07	CFO and Government Management Reform Act Compliant
3	Funds Management	Ensures that funds are not obligated or disbursed in excess of those appropriated and/or authorized.	Scott AFB: Oct 06 USTC: Sep 07	CFO and Government Management Reform Act Compliant
4	Payment Management	Provides for the accounting of commitments and obligations, and receipt procedures and computes commercial vendor payments.	Scott AFB: Oct 06 USTC: Sep 07	CFO and Government Management Reform Act Compliant
5	Receivable Management	Supports activities associated with recognizing and recording debts due to the Government; performs follow-up actions to collect on these debts, and record agency cash receipts.	Scott AFB: Oct 06 USTC: Sep 07	CFO and Government Management Reform Act Compliant
6	Cost Management	Measures the total cost and revenue of federal programs, and their various elements, activities, and outputs. Essential for providing accurate program measurement information, performance measures, and financial statements with verifiable reporting of the cost of activities.	Scott AFB: Oct 06 USTC: Sep 07	CFO and Government Management Reform Act Compliant
7	Reporting	Provides timely and useful financial information to support: management's fiduciary role; budget formulation and execution functions; fiscal management of program delivery and program decision making; and internal and external reporting requirements.	Scott AFB: Oct 06 USTC: Sep 07	CFO and Government Management Reform Act Compliant



Figure 10-1: DEAMS Milestones



Information on the GTN and IDE convergence is not currently available and will be reported in the next revision of the ETP.

Other Systems and Initiatives of Interest

Table 10-3 provides a list of other systems and initiatives that are important to the Component’s mission but not necessarily considered transformational, some of which may require IRB certification.

Table 10-3: USTRANSCOM List of Transition, Core, and Legacy Systems

System Name	System Acronym	BEP Linkage	DITPR ID	IRB	Core, Legacy, Transition
Tier 2					
Analysis of Mobility Platform	AMP	Materiel Visibility	487	MS&SM	Core
Corporate Applications	CA	Financial Visibility	1183	FM	Core
Core Automated Maintenance System - For Mobility	CAMS-FM/GO81	Materiel Visibility	349	MS&SM	Core
Defense Personal Property System	DPS	Materiel Visibility	489	MS&SM	Transition
Global Air Transportation Execution System	GATES	Materiel Visibility	369	MS&SM	Core
Integrated Booking System	IBS	Materiel Visibility	353	MS&SM	Core
Intelligent Road/Rail Information Server	IRRIS	Materiel Visibility	357	MS&SM	Core



System Name	System Acronym	BEP Linkage	DITPR ID	IRB	Core, Legacy, Transition
Joint Flow and Analysis System for Transportation	JFAST	Materiel Visibility	376	MS&SM	Core
Worldwide Ports System	WPS	Materiel Visibility	259	MS&SM	Core
Tier 3					
Cargo and Billing System	CAB	Financial Visibility	374	FM	Core
CONUS Freight Management System	CFM (GFM)	Materiel Visibility	355	MS&SM	Core
Customs/Border	CUSTOMS	Materiel Visibility	490	MS&SM	Core
Integrated Computerized Deployment System	ICODES	Materiel Visibility	359	MS&SM	Core



Chapter 11: Defense Finance and Accounting Service

Component Business Transformation Vision

The Defense Finance and Accounting Service (DFAS) is the largest finance and accounting operation in the world. DFAS is responsible for ensuring accurate records are kept for the over \$400 billion that DoD spends annually. Each business day DFAS pays out more than \$1 billion in support of our warfighting mission. As the Department's financial services provider, DFAS accounts for more than 290 different funded appropriation accounts. DFAS pays 5.9 million people including our military, civilians, retirees and their annuitants. DFAS pays 12.3 million invoices annually to contractors and vendors supplying services that contribute to our national security mission. Our vision is to better enable the warfighter through excellence in our finance and accounting operations - where excellence is achieved by pledging dependable, accurate and reliable service at the lowest cost.

The DFAS transformation strategy is aligned with the DoD's transformation goals and objectives and with the President's Management Agenda. DFAS is transforming the finance and accounting business—modernizing and improving financial management, reducing personnel and operating costs while providing agile responses to the dynamic DoD environment, such as delivering military pay entitlement required by the Global War on Terror. The DFAS transformation strategy leverages and integrates competitive sourcing initiatives, Base Realignment and Closure opportunities to reduce excess capacity, performance-based management through the National Security Personnel System, and state-of-the-art technology. The ultimate objective of the organization is to optimize performance and maintain the downward pressure on cost.

Component Business Transformation Goals

Our transformation goal is to produce higher quality products and services at lower costs, allowing for more dollars to be directly applied to the DoD warfighting mission. To achieve this goal DFAS will:

- Deliver error-free pay services on time. Pay issues impact people across the organization, but most importantly those who take on great personal risks and hardships in defense of the nation. A failure in our ability to fully satisfy this basic capability risks adversely affecting the morale and readiness of our military forces at a time when we demand more from them.
- Provide business intelligence that supports better operational resource allocation and decision making. DFAS must provide information that arrives in time to make a difference and in a format and level of detail that can be used easily and effectively.

- Establish and maintain a partnership with our customers to anticipate needs and deploy integrated solutions that enhance financial management capabilities across the DoD enterprise.
- Attract, develop and retain a first-rate work force with the skills, agility and motivation necessary to achieve the DFAS mission. DFAS people will ultimately determine the agency's success and our ability to serve the men and women who defend America.

DFAS plans to accelerate its rate of transformation in order to offer best value to the warfighter, our customers, and the American taxpayer. To accomplish our transformation goal, the following three priorities have been identified:

(1) **Reduce the number of urgent military pay problems:** An 'integrated military payment' Business Capability is essential to provide efficient and accurate military payroll processing. While the Defense Integrated Military Human Resources System (DIMHRS) is the DoD long-term enterprise objective, Forward Compatible Payroll (FCP) will provide an interim capability to solve the most immediate pay problems for our military members. It is designed to be a modern, robust and single Active/Reserve payroll system to support accurate, timely and cost effective delivery of pay, allowances, and payment information to service members. It will provide relief from military pay system problems for mobilized Guard and Reserve forces by improving mobilization pay support.

The replacement of the Defense Joint Military Pay System (DJMS) Active Component (AC) and Reserve Component (RC) with the interim FCP system will facilitate accurate, timely and cost effective payment processing until DIMHRS is ready for deployment. FCP adapts a modern, Commercial Off the Shelf (COTS) solution to greatly reduce the average monthly system maintenance costs and improve the timeliness and quality of military pay services. Its deployment will be coordinated within the context of the long-term solution of DIMHRS.

(2) **Improve financial performance by automating manual processes and eliminating redundancies:** An 'electronic processing' capability will enable DFAS to automate and standardize manual processes and streamline our systems so that financial information will be easily and readily available. To achieve this will require Process Improvements and System Rationalization.

- Process Improvement - Forward Compatible Payroll (FCP) helps to achieve these efficiencies by automating manual processes and eliminating over 200 manual workarounds. When fully operational, FCP will significantly reduce the current average maintenance cost by millions, making those dollars available to support the warfighting mission.
- System Rationalization - DFAS completed Business Case Analysis of our Accounting Services operations for Army, Navy, Air Force, Marine Corps, and Defense Agencies. The results of the analysis recommended developing a High-Performing Organization (HPO) to realize efficiencies and savings. Similar analyses for vendor pay, disbursing, and contract services also resulted in HPO recommendations.

The analysis of our disbursing business recommended a single, standardized disbursing system in addition to centralizing disbursing operations, standardizing business processes, and leveraging Department of Treasury capabilities. Efficiencies will be gained and material sav-



ings achieved by eliminating the STANFINS-Redesign I (SRD1) and the Central Disbursing System (CDS). The Automated Disbursing System (ADS), currently operational, will replace both systems by the end of FY 08. Streamlining disbursing operations and eliminating redundant systems will result in lower costs to DFAS customers. As part of the Disbursing overhaul, standard operating procedures are being reviewed at each disbursing location in order to identify and reuse best practices across the agency as the number of disbursing sites is reduced. A ‘standardized disbursing process’ Business Capability is required to meet our priority to reduce sites and implement best practices at remaining locations.

DFAS is supporting the objectives of the DoD Financial Visibility BEP. DFAS stands positioned to leverage the capabilities provided by the follow systems and initiatives:

- The Business Enterprise Information Services (BEIS) program builds upon existing infrastructure to provide timely, accurate, and reliable business information from across the Department to support auditable financial statements and decision making.
- The Defense Cash Accountability System (DCAS) consolidates disbursements and collections information from a number of disparate systems from across the DoD into a single, Enterprise-wide system. This enables standardized reporting to the US Treasury and enhanced data integrity, financial information visibility.
- The Standard Financial Information Structure (SFIS) deployment provides us an Enterprise-wide standard for categorizing financial information along several dimensions to support financial management and reporting functions and the generation of DoD financial statements.
- The Intra-Governmental Transaction (IGT) initiative standardizes, consolidates, and integrates processes and system components enhancing visibility into both the buying and selling elements of intragovernmental transactions both within the DoD and across the Federal Government.

DFAS has established partnerships with our customers to leverage the financial capabilities embedded in their transformation initiatives which will replace many legacy DFAS systems. These initiatives include:

- Defense Enterprise Accounting and Management System (DEAMS), a financial management initiative that will transform business and financial management processes and systems to provide accurate, reliable, and timely business information to support effective business decision making for U.S. Transportation Command, Defense Finance and Accounting Service (DFAS), the U.S. Air Force and eventually, other Agencies within the Department of Defense. DEAMS will replace multiple existing systems.
- General Fund Enterprise Business System (GFEBS) which supports the transformation of the Army’s accounting, finance, and budget processes; reduces legacy stovepiped systems; improves performance; standardizes processes; and provides accurate, reliable, and timely financial information on an Enterprise-wide basis, in peacetime and in war. GFEBS will replace existing DFAS systems that run on mainframe computers: the Standard Army Finance System (STANFINS), the Defense Joint Accounting System (DJAS), and the Standard Operation and Maintenance Army Research and Development System (SOMARDS), and the Computerized Accounts Payable System (CAPS).



- Other enterprise resource planning (ERP) initiatives that will replace DFAS systems include the Defense Logistics Agency's Business Systems Modernization, Navy's Converged ERP, and Army's Logistics Modernization Program.

(3) **Expand Electronic Commerce (EC) Capabilities:** The difference between operating via manual paper-driven processes and operating in an electronic mode is staggering in terms of cost and time. The cost of manually processing an invoice ranges from \$22 - \$30 each. The cost for processing that same invoice electronically is under \$4. Our increasing use of web services is reducing costs; improving customer service and quality by eliminating redundant data entry; improving data accuracy; reducing interest penalties; and making information available more timely. Operating in the electronic age enables a seamless, paperless processing capability and reduces our cost to operate, freeing up those dollars to support the DoD mission. Steps to achieving this capability include the following:

- Leverage DoD enterprise solutions from other Core Business Missions
 - Add additional transaction types to expand the functionality in other CBM solutions: PowerTrack, Wide Area Workflow (WAWF) and the Defense Travel System (DTS)
 - Mandate the use of WAWF to submit financial transactions electronically for all of DoD
- Leverage Existing IT Solutions
 - Modernize the Mechanization of Contract Administration Services (MOCAS) by re-hosting the system to a Relational Database Management System. This re-host enables visibility into contract actions of all types and provides useful business intelligence to vendors that conduct business with the DoD.
 - Implement the Integrated Accounts Payable System (IAPS) Database Expansion and Re-structure (DEAR) release to provide the functionality needed to electronically process vendor, contracts, receipts and invoices.
 - Promote the use of the Purchase Card Program, which allows DoD users to make small purchases (less than \$2,500) in an electronic, streamlined fashion. Performed manually, the costs associated with these transactions are over \$24 each, whereas the costs associated with an electronic transaction are less than \$4.
 - Expand imaging solutions to all DFAS locations in order to capture electronically all financial statements, disbursing vouchers and supporting documentation.
 - Aggressively market EC initiatives to our process partners and enforce current DoD mandates to process contract payment transactions electronically.



Systems and Initiatives

Systems:

- Forward Compatible Payroll (FCP): FCP replaces DJMS-AC (Active Component) and DJMS-RC (Reserve Component) and provides a single military pay record for the services.

Initiatives:

- Electronic Commerce (EC): EC provides seamless processing of all DoD financial transactions in a secured environment.
- Disbursing High Performing Organization (Disb HPO): The Disb HPO transforms business operations by streamlining operations and standardizing disbursing procedures. The number of disbursing systems will decrease as well.

Table 11-1 includes each DFAS system or initiative and identifies each of the supported priorities and Business Capabilities.

Table 11-1: System Transformation Summary

System / Initiative	Supported Priorities	Business Capability Provided
Forward Compatible Payroll	<ul style="list-style-type: none"> Reduce the number of urgent military pay problems Improve financial performance by automating manual processes and eliminating redundancies 	<ul style="list-style-type: none"> Improved pay accuracy and timeliness for mobilized forces Integrated Active/Reserve military payment Electronic processing Real-time access
Electronic Commerce	<ul style="list-style-type: none"> Improve financial performance by automating manual processes and eliminating redundancies 	<ul style="list-style-type: none"> Real-time access Seamless, paperless electronic processing Standard Process
Disbursing High Performance Organization	<ul style="list-style-type: none"> Improve financial performance by automating manual processes and eliminating redundant systems 	<ul style="list-style-type: none"> Electronic processing Standardized disbursing process



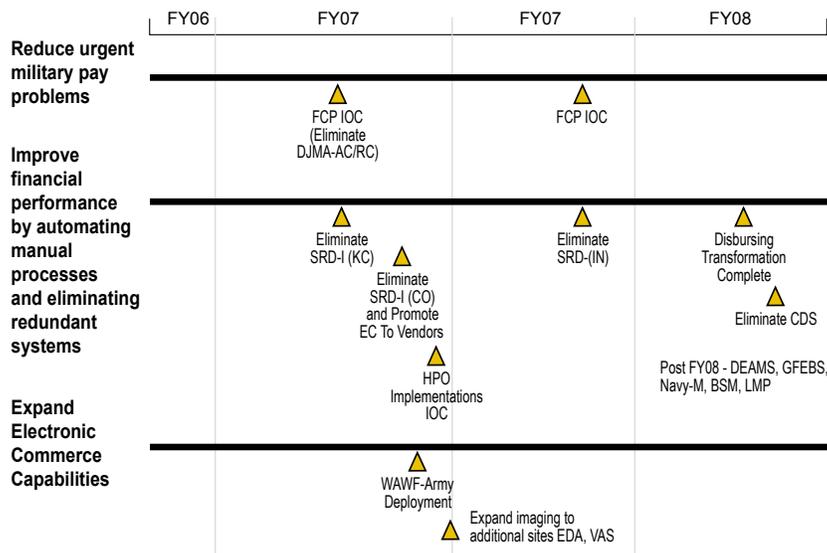
Component Priorities Linked to Targeted Outcomes, Milestones, and Metrics

Table 11-2: Component Priorities Linked to Targeted Outcomes, Milestones, and Metrics

Component Priorities	Targeted Outcomes	Milestones	Performance Metrics
Reduce the number of urgent military pay problems	Deploy FCP, a fully automated military pay system	FCP IOC: 3rd Qtr FY06 FCP FOC: 3rd Qtr FY07	Reduce manual workarounds by 90% Eliminate duplicate records Decrease amount of time required to implement legislative changes to 6 weeks or less
	Reduce system operating expenses and processing costs (more dollars for the warfighter)	FCP FOC: 3rd Qtr 07	Reduce costs for a monthly savings of \$1.1M
Improve financial performance by automating manual processes and eliminating redundant systems	Reduce manual processing of hard copy documents from vendors (for Army)	Army WAWF Deployment FY06	Increase number of electronic invoices received by 25% for FY06
	Reduce number of hard copy pay requests from vendors (for all Components)	FY06	Increase the number of electronic invoices received by 10% for FY06
	Improve disbursing services	SRD I: 3rd Qtr FY06 (DFAS KC); 4th Qtr FY06 (DFAS CO); 4th Qtr FY07 (DFAS IN) CDS: 4th Qtr FY08	Reduce number of disbursing systems from three to one
	Completion of disbursing transformation	4th Qtr FY08	Reduce FTEs in support of DFAS disbursing operations by approximately 33%
Expand Electronic Commerce (EC) Capabilities	Expand imaging (EDA and VAS) to additional sites	FOC: FY06	Decrease the number of sites maintaining hard copy files
	Reduce customer bills	Army WAWF Deployment FY06	Decrease in customer bills by 5% for FY06
	Reduce redundant data entry by use of single source of entry	FOC: FY06 (EDA and VAS)	Reduce interest penalty payments by 40% (from FY01 level of \$35M to \$21M) Reduce or maintain number of unmatched disbursements from Yr End 2004 Balance



Figure 11-1: Key Milestones by Priority



Other Systems and Initiatives of Interest

Table 11-3 provides a list of other systems and initiatives that are important to the Component’s mission but not necessarily considered transformational, some of which may require IRB certification.

Table 11-3: Other Systems and Initiatives of Interest

System Name	Acronym	Description / Purpose	Comment	Category
Defense Civilian Pay System	DCPS	DCPS is the standard payroll system for DoD and DFAS is one of four ePayroll providers	Enterprise solution for civilian pay has not been determined	Tier 2
Defense Retiree and Annuitant Pay System	DRAS	Pay system for all military retirees and annuitants	Full scale business case review is being conducted to determine the solution for delivering retired and annuitant pay	Tier 2
Marine Corps Total Force System	MCTFS	Integrated personnel and pay database for Active Duty and Reserve Marine Corps.	Migration is dependent upon DIMHRS FOC	Tier 2
Milpay Systems Transition Program Office	MSTPO	Program support for DIMHRS development	MSTPO is the office established to define pay requirements for DIMHRS and is not a system	N/A
MYPAY	MYPAY	Provides electronic and paperless means to self-service payroll account information to military member and civilian employees	Enterprise or core solution has yet to be determined	Tier 2
Standard Accounting and Reporting System	STARS	General fund accounting and reporting system for Navy, Marine Corp, Air Force and Defense Agencies	Dependent upon enterprise solution (Navy ERP)	Tier 2





ETP Appendices

ETP Appendices

In accordance with the requirements of the FY05 NDAA, this Transition Plan includes milestones, resource needs, system migration information and metrics. This information is contained in the appendices that follow, as well as in Volumes II and III.



Transition Planning Appendices

The appendices to the Enterprise Transition Plan contain the details of the transition:

If you are looking for	Look in this appendix:
Enterprise-level system and initiative objectives, milestones, and cost and migration data, at a glance.	A: DoD Enterprise Transformation Summary (Vol. I)
Component system and initiative objectives, milestones, and cost and migration data, at a glance.	B: DoD Component Enterprise Transformation Summary (Vol. I)
Graphics with key milestone dates for each key Enterprise and Component-level system and initiative.	C: Transition Timeline Overview (Vol. I)
A set of BMMP management timelines showing key dates for development of the BEA, Transition Planning, and DBSAE	D: BMMP Management Timeline (Vol. I)
DoD Enterprise-level Systems and Initiatives with approach, benefits, milestones and metrics mapped to the target Business Capabilities for each BEP. Also contains relationship between BEP, Business Capability, and BEA OV-5 Activities.	E: Enterprise Transformation Plans (Vol. II)
A list of DoD Enterprise and Component target business systems and initiatives. Contains additional information such as the Lead Core Business Mission, Certification Authority, as well as matrices showing Using Component.	F: Master List of Systems and Initiatives (Vol. II)
The System Evolution Description (SV-8), showing the migration of legacy systems and key milestones	G: System Migration Diagrams (Vol. II) H: System Migration Summary Spreadsheets (Vol. II) J: System Transition Schedule (Vol. III)
Summary budget information for Enterprise and Component-level systems and initiatives, as well as budgets for Enterprise Transformation Support.	I: BMMP Funding Summary (Vol. III)
Performance measurement, risk, and cost/benefit analysis information related to each system and initiative (program) in the ETP Program Baseline.	K: Program Performance Management (Vol. III)

Additional Transition Planning Documentation

This Enterprise Transition Plan consists of this ETP narrative and the accompanying appendices. Additionally, the DoD Business Transformation Guidance:

- Provides background information about the Department’s business transformation
- Details how transformation is planned, executed, and managed
- Articulates how the BEA and ETP products are used for planning and decision making.

The DoD Business Transformation Guidance explains the relationship between BMMP transition planning processes and other major DoD processes. It provides an understanding of the Program Baseline methodology and describes its role in transformation. The volume is intended as guidance for transition planners and program managers across the BMA.



Glossary

Term	Definition
Acquisition Program Baseline (APB)	Each program's APB is developed and updated by the program manager and will govern the activity by prescribing the cost, schedule and performance constraints in the phase succeeding the milestone for which it was developed. The APB captures the user capability needs, including key performance parameters, which are copied verbatim from the capability development document. (CJCSI 3170.01E)
Activity	An activity is an action performed in conducting the business of an enterprise. It is a general term that does not imply a placement in a hierarchy (e.g., it could be a process or a task as defined in other documents and it could be at any level of the hierarchy of the Operational Activity Model). It is used to portray operational actions not hardware/software system functions. (DoDAF)
Application	A software program that performs a specific function directly for a user and can be executed without access to system control, monitoring or administrative privileges.
Business Capability	The ability to execute a specific course of action. It can be a single business enabler or a combination of business enablers (e.g., business processes, policies, people, tools, or systems information) that assist an organization in delivering value to its customer.
Business Enterprise Architecture	A blueprint to guide and constrain investments in DoD organizations, operations, and systems as they relate to or impact business operations. It will provide the basis for the planning, development, and implementation of business management systems that comply with Federal mandates and requirements, and will produce accurate, reliable, timely, and compliant information for DoD staff.
Business Enterprise Priority	An area where transformed business operations will provide improved warfighter support, reduced costs, and better regulatory compliance. Formulated based on requirements identified by the warfighter, the Components, and CBM support organizations. Initial priorities are: <ul style="list-style-type: none"> • Personnel Visibility • Acquisition Visibility • Common Supplier Engagement • Materiel Visibility • Real Property Accountability • Financial Visibility
Business Mission Area	The Global Information Grid (GIG) Architecture identifies four interdependent entities, or Mission Areas, within the DoD Enterprise Architecture. These Mission Areas are Warfighting (WMA), Business (BMA), National Intelligence, and Enterprise Information Environment (EIE). The role of the BMA is to deliver products and services required by the WMA to accomplish assigned objectives.



Term	Definition
Business System	An information system, other than a national security system, operated by, for, or on behalf of the Department of Defense, including financial systems, mixed systems, financial data feeder systems, and information technology and information assurance infrastructure, used to support business activities, such as acquisition, financial management, logistics, strategic planning and budgeting, installations and environment, and human resources management. (FY05 NDAA) In addition, the DODD 8500.1 further defines a system as a “set of information resources organized for the collection, storage, processing, maintenance, use, sharing, dissemination, disposition, display, or transmission of information.” BMMP business systems include: Federal Systems used or supported by DoD; Component (multi-Component) Standard Systems; Major Command Systems; and Data Stores. BMMP business systems do not include: office automation, data management, information assurance, and other similar types of enabling software.
Business Transformation	A key executive management initiative to align the technology initiatives of an organization more closely with its business strategy and vision. Business transformation is achieved through efforts from both business and IT areas.
Capability	The ability to execute a specific course of action. It is defined by an operational user and expressed in broad terms in the format of an Initial Capabilities Document (ICD), or a Doctrine, Organization, Training, Material, Personnel, and Facilities (DOTMLPF) change recommendation. (JCIDS)
Certification Authority	<p>The designated Principal Staff Assistant with responsibility for review, approval, and oversight of the planning, design, acquisition, deployment, operation, maintenance, and modernization of defense business systems. Primary authority for certification of the system.</p> <ul style="list-style-type: none"> • P&R - USD (Personnel & Readiness) • AT&L - USD (Acquisition, Technology & Logistics) • FM - USD (Comptroller) • NII - ASD (Networks and Information Integration) <p>For example, the Under Secretary of Defense (Acquisition, Technology and Logistics) (USD)(AT&L) is responsible and accountable for any defense business system that supports defense acquisition activities, logistics activities, or installations and environment activities of DoD. Others include the Under Secretary of Defense (Comptroller) (USD(C)) for any defense business system that supports financial management activities or strategic planning and budgeting activities; the Under Secretary of Defense (Personnel and Readiness) (USD (P&R)) for any defense business system that supports human resources management activities; and the Deputy Secretary of Defense or an Under Secretary of Defense as designated by the Secretary of Defense, for any defense business system that supports any activity of the DoD not covered by the established four CAs.</p>
Component	DoD Components (for BMMP purposes) are defined to be the Military Services, DoD Agencies, Joint Staff and Combatant Commands.
Component-Level	A Component-specific solution for a set of Business Capabilities, managed by the Component.
Component Priority	An area where transformed business operations will provide a Component with improved warfighter support, reduced costs, and better regulatory compliance. These priorities are complementary to Business Enterprise Priorities and address the assigned mission needs of the particular Component.
Constraints	Actions, occurrences, or factors outside the scope or control of the System or Initiative that may adversely affect the proposed solution.



Term	Definition
Core Business Missions	<p>A defined area of responsibility with functions and processes that provides end-to-end support to the warfighter. There are five Core Business Missions:</p> <ul style="list-style-type: none"> • HRM – Human Resources Management • WSLM – Weapon System Lifecycle Management • RPILM – Real Property & Installations Lifecycle Management • MSSM – Materiel Supply & Service Management • FM – Financial Management
Core System	<p>An existing system, system in development, or a system beginning the acquisition process that is, or will be, the Department’s solution for a given capability, as designated by the PSA.</p>
Defense Business Systems Management Committee (DBSMC)	<p>Chaired by the Deputy Secretary of Defense, it is the highest authority providing top-level governance to coordinate defense business system modernization and to link improvements in Business Capabilities to the warfighter. The DBSMC is composed of the Deputy Secretary of Defense, the Under Secretaries, the Chairman of the Joint Chiefs of Staff (CJCS), the Secretaries of the Military Departments and the heads of the Defense Agencies, the Combatant Commanders of USTRANSCOM and Joint Forces Command, the Assistant Secretary of Defense for Networks and Information Integration/DoD Chief Information Officer (NII/CIO), and the Director of Program Analysis and Evaluation (PA&E) in an advisory role.</p>
DITPR	<p>The DoD IT Portfolio Repository (DITPR) is a database directly updated by the Components that contains key information on DoD systems.</p>
DOTMLPF	<p>Doctrine, Organization, Training, Materiel, Leadership, Personnel, and Facilities</p>
Enterprise Business Process Model (EPBM)	<p>Identifies existing business processes that are considered DoD Enterprise processes and aligns these existing processes as well as future business processes with DoD Core Business Missions.</p>
Enterprise Information Environment	<p>As part of the DoD Global Information Grid (GIG), the EIE is one of the four Mission Areas and is overseen by the ASD (NII). The EIE includes any system, equipment, software, or service that meets one or more of the following criteria:</p> <ul style="list-style-type: none"> • Transmits information to, receives information from, routes information among, or interchanges information among other equipment, software, and services; • Provides retention, organization, discovery, visualization, information assurance, or disposition of data, information, or knowledge received from or transmitted to other equipment, software, and services; and • Processes data or information for use by other equipment, software, or services.
Enterprise Level	<p>Within the context of tiered accountability refers to the programs and solutions managed by OSD</p>
Enterprise Systems	<p>Systems that have been identified as the standard across the Department of Defense.</p>
Enterprise Transition Plan	<p>Designed to guide and track the business transformation of the DoD Business Mission Area. Includes activities associated with developing the plan and framework for moving from the “As Is” to the “To Be” using strategic plans, Business Capabilities, and architecture information. Key elements include the objectives, schedules, funding, and migration information for the systems and initiatives supporting DoD’s Business Enterprise Priorities.</p>



Term	Definition
Federated Architecture	An approach for Enterprise architecture development that is composed of a set of coherent but distinct entity architectures: the architectures of separate members of the federation. The members of the federation participate to produce an interoperable, effectively integrated enterprise architecture. The federation sets the overarching rules of the federated architecture, defining the policies, practices and legislation to be followed, as well as the interfederate procedures and processes, data interchanges, and interface standards, to be observed by all members. Each federation member conforms to the enterprise view and overarching rules of the federation in developing its architecture. Internal to themselves, each focuses on a separate mission and the architecture that supports that mission.
Full Deployment Decision Review	A review conducted at the conclusion of IOC (for business systems) to ascertain readiness and to authorize deployment. FDDR is the business systems' equivalent to the DoD Acquisition Full Rate Production Decision Review (FRPDR) milestone.
Full Operational Capability (FOC)	Defined in JCS Pub 1-02 as "the full capability to employ effectively a weapon, item of equipment or system of approved specific characteristics, and which is manned and operated by an adequately trained, equipped and supported military force or unit."
Global Information Grid (GIG)	"The globally interconnected, end-to-end set of information capabilities, associated processes, and personnel for collecting, processing, storing, disseminating and managing information on demand to warfighters, policy makers, and support personnel. The GIG includes all owned and leased communications and computing systems and services, software (including applications), data, security services, and other associated services necessary to achieve Information Superiority. It also includes National Security Systems as defined in section 5142 of the Clinger-Cohen Act of 1996 (reference (b)). The GIG supports all Department of Defense, National Security, and related Intelligence Community missions and functions (strategic, operational, tactical, and business), in war and in peace. The GIG provides capabilities from all operating locations (bases, posts, camps, stations, facilities, mobile platforms, and deployed sites). The GIG provides interfaces to coalition, allied, and non-DoD users and systems. (DODD 8100.1)"
Information Assurance	Information operations that protect and defend information and information systems by ensuring their availability, integrity, authentication, confidentiality and non-repudiation. This includes providing for restoration of information systems by incorporating protection, detection and reaction capabilities. (CJCSI 3170.01E)
Information Technology (IT)	Includes computers, ancillary equipment, software, firmware and procedures, services (including support services), and related sources. It includes any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data by the DoD. (Equipment includes equipment used by the DoD or by a contractor in support of DoD.)
Information Technology System (IOC)	Set of information resources organized for the collection, storage, processing, maintenance, use, sharing, dissemination, disposition, display, or transmission of information. Any Acquisition Category (ACAT) system that meets these criteria, anything categorized as a National Security System (NSS) or a Mission Assurance Category (MAC) level is, by definition, considered to be an IT system.
Initial Operational Capability (IOC)	Defined in JCS Pub 1-02 as "the first attainment of the capability to employ effectively a weapon, item of equipment or system of approved specific characteristics, and which is manned and operated by an adequately trained, equipped and supported military force or unit." IOC is defined slightly differently by each Military Department but with comparable meaning.



Term	Definition
Initiative	A construct for the management of resources. “All IT/NSS resources must be managed in accordance with appropriations guidance and applicable expense and investment criteria. All resources will be reported within initiatives. Initiatives can be systems, programs, projects, organizations, activities or family of systems.” (Source: FMR Volume 2B, Chapter 18, June 2004). Within BMMP, especially when used in the context of “Systems and Initiatives”, the term initiative refers to “non-system programs or activities” focused on policy changes, data standards, or other business practice changes.
Investment Review Board	Each Certification Authority is required to establish and charter an IRB to provide investment review of its business systems. Each IRB will assess modernization investments relative to their impact on end-to-end business process improvements that support warfighter needs. IRB membership includes representatives from the Components, Combatant Commands, and the Joint Chiefs of Staff.
Legacy System	An existing system that is designated for closure when the capability is absorbed by an interim or core system or if the capability is no longer required. No modifications or enhancements are made to legacy systems.
Major Automated Information System (MAIS)	<p>A MAIS is an Automated Information System (AIS) program that is:</p> <ul style="list-style-type: none"> • Designated by the OSD(NII) as a MAIS; or • Estimated to require program costs in any single year in excess of \$32 million or total program costs in excess of \$126 million (both in FY 2000 constant dollars). MAIS do not include Information Technology that involves equipment that is an integral part of a weapons system or is an acquisition services program.
Milestone (MS)	A milestone is a significant event. For business transformation, these are events tracked to monitor progress towards or achievement of improved Business Capabilities. In the acquisition sense, a milestone is “The point at which a recommendation is made and approval sought regarding starting or continuing an acquisition program” (Source: DAU Glossary)
National Defense Authorization Act (NDAA) for FY05	With the National Defense Authorization Act of 2005 (NDAA), Congress provided the Department a mandated governance structure to provide oversight and direction of Defense business systems developmental activities.
NDAA Category	<p>The National Defense Authorization Act (NDAA) defines three transition categories as follows:</p> <ol style="list-style-type: none"> 1. New - New systems expected to be needed to complete the DoD Business Enterprise Architecture. 2. Legacy - Defense business systems as of December 2, 2002 (known as ‘legacy’ systems), that will not be part of the objective DoD Business Enterprise Architecture. 3. Modify - Defense business legacy systems that will be a part of the objective defense business system by making modifications to those systems to ensure that they comply with the DoD Business Enterprise Architecture. <p>Unknown - DoD business legacy systems for which a transition strategy has not been determined (Category of Unknown not defined in the NDAA).</p>



Term	Definition
Network-centricity (or Net-centricity)	Net-centricity is a robust, globally interconnected network environment (including infrastructure, systems, processes and people) in which data is shared timely and seamlessly among users, applications and platforms. Net-centricity enables substantially improved military situational awareness and significantly shortened decision-making cycles. (CJCSI 3170.01E)
Ontology	Data categorization schemes, thesauruses, vocabularies, key-word lists, and taxonomies. Ontologies promote semantic and syntactic understanding of data.
Portfolio Management (PfM)	The management of IT investments using integrated strategic planning, integrated architectures, measures of performance, risk management techniques, transition plans, and portfolio investment strategies. The core activities associated with portfolio management are analysis, selection, control, and evaluation. Decisions on IT investments are based on compliance with the BEA, mission area goals, risk tolerance levels, potential returns, and performance.
Program Level	The level at which a Target System and its Business Capabilities will be implemented or managed. BMMP program levels are Enterprise or Component.
Special Interest Program	A program may be special interest based on one or more of the following factors: technological complexity; Congressional interest; a large commitment of resources; the program is critical to achievement of a capability or set of capabilities; or the program is a joint program. Exhibiting one or more of these characteristics, however, shall not automatically lead to a 'special interest' designation.
Target System	The system(s) solution targeted to assume some or all of the migrating systems' functionality to achieve a specific Business Capability or set of capabilities.
Tiered Accountability	An approach to business transformation that is based on dividing the planning and management of systems and initiatives between Enterprise and Component-levels.
Tiered Systems (IRB)	<ul style="list-style-type: none"> • Tier 1: Systems designated as ACAT IAM, ACAT IAD and ACAT IC • Tier 2: Systems estimated at \$10 M to less than the Major Automated Information System (MAIS) threshold (currently \$32 M) or CA interest or Enterprise-level • Tier 3: Systems estimated between \$1 M to less than \$10 M
Transition Plan (as specified by FY05 NDAA)	<p>The FY05 NDAA establishes requirements for a Transition Plan describing:</p> <p>(A) The acquisition strategy for new systems that are expected to be needed to complete the defense Business Enterprise Architecture.</p> <p>(B) A listing of the defense business systems as of December 2, 2002 (known as legacy systems), that will not be part of the objective defense Business Enterprise Architecture, together with the strategy for terminating those legacy systems that provides for reducing the use of those legacy systems in phases.</p> <p>(C) A listing of the legacy systems (referred to in subparagraph (B)) that will be a part of the objective defense business systems, together with a strategy for making the modifications to those systems that will be needed to ensure that such systems comply with the defense Business Enterprise Architecture.</p> <p>Each of the strategies shall include specific time-phased milestones, performance metrics, and a statement of the financial and non-financial resources needs. (FY05 NDAA)</p>

